

1975

Compulsory Continuing Education for Certified Public Accountants: a Model Program for the State of Louisiana.

Maurice Francis Tassin Jr

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COMPULSORY CONTINUING EDUCATION FOR
CERTIFIED PUBLIC ACCOUNTANTS: A MODEL
PROGRAM FOR THE STATE OF LOUISIANA.

The Louisiana State University and Agricultural
and Mechanical College, Ph.D., 1975
Accounting

Xerox University Microfilms, Ann Arbor, Michigan 48106

COMPULSORY CONTINUING EDUCATION
FOR CERTIFIED PUBLIC ACCOUNTANTS;
A MODEL PROGRAM FOR THE STATE OF LOUISIANA

A Dissertation

Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy

in

The Department of Accounting

by

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ACKNOWLEDGMENTS

Sincere appreciation is expressed to the members of my dissertation committee for their assistance throughout this study. Members of the committee were: Dr. William E. Swyers (Chairman), Dr. Clarence L. Dunn, Dr. C. Williard Elliott, Dr. George W. Fair, and Dr. Raymond V. Lesikar.

Special thanks are also given to Dr. Vincent C. Brenner for his helpful suggestions, to Dr. Kenneth L. Koonce for statistical assistance, and to Thornton H. Cofield, Jr. for programming assistance. Thanks also are expressed to the AICPA, the various state CPA societies, and the State Boards of Accountancy for the material that they made available to me. I am also grateful to the CPAs who participated in the study.

Finally, I wish to express my deepest appreciation to my wife, Bonnie, and to my children, Glenn, Ann, and Jill. Their patience, encouragement, assistance, and sacrifices are what have made the completion of this study possible.

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ABSTRACT

The major objective of this study was the development of a model program of compulsory continuing education (CCE) for Louisiana CPAs. The main source of input into the model program came from a questionnaire which the author mailed to nearly all members of the Society of Louisiana CPAs. Responses to the questionnaire revealed that 65 percent of the respondents favored the CCE concept. From this response, the conclusion was drawn that there is a need for CCE in Louisiana and that Louisiana CPAs support the concept of CCE.

Two other surveys done in 1973 and 1974 revealed a strong trend toward CCE in other states, with 14 states having CCE programs in 1974. Those 14 CCE programs plus several voluntary continuing education programs were analyzed in detail for similarities and differences and were a major source of input into the model program which was developed.

Other continuing education studies which were performed by scholars and by certain state CPA societies were reviewed. From the results of most of those studies, the conclusion was drawn that there is a need for CCE programs throughout the United States and that CPAs in most states support the concept of CCE.

Statistics found during the study revealed that most CPAs do not participate in continuing education voluntarily. Therefore, it was concluded that compulsory, not voluntary, continuing education programs are needed. Louisiana CPAs are presently operating under a voluntary continuing education program.

Much disagreement was found among the respondents to the study regarding the level at which CCE requirements should be imposed. The majority of respondents favored CCE requirements being imposed by State Board of Accountancy regulation. Experience in two states which have tried imposing CCE requirements in that manner showed that such requirements are difficult to enforce. Therefore, it has been concluded that it is best to require CCE by legislation.

Another significant source of input into the model program which was developed is arguments for and against CCE which were found in the literature and which were also obtained from other sources. The review of the literature revealed that the CPA profession is a leader, along with the medical profession, in requiring its members to participate in continuing education and that other professions are just now considering whether to require their members to engage in compulsory continuing education.

CHAPTER I

INTRODUCTION

Until recently, once a person became a Certified Public Accountant (CPA), there was no law or regulation which required him to maintain the high level of educational competency in his profession which he had attained in order to pass the CPA Examination. Because of this lack of any firm requirement to do so, many CPAs failed to keep up in a rapidly changing profession. Soon the educational competency of these CPAs became "dated".

In a Conference on Ethics in New York in October 1967, Marvin Stone, who was then President of the American Institute of Certified Public Accountants (AICPA), formally introduced the idea of compulsory continuing education (CCE) for all CPAs in public practice as a possible means of solving the problem of sub-standard work which has been plaguing the profession.¹ Soon after, in November 1967, he followed-up on this idea with an article in the CPA.² The response to his article was overwhelmingly favorable. In fact, many CPAs in industry felt that they too should be required to meet the continuing education requirement.³

¹Marvin L. Stone, "The Arguments for Required Continuing Education by Legislation," Colorado CPA Report, XXXVI, No. 1 (Summer 1971), p. 12.

²Marvin L. Stone, "Compulsory Continuing Education," (From the President), CPA, XLVII, No. 11 (November 1967), pp. 2, 4.

³Stone, loc. cit.

In 1969, the Iowa Board of Accountancy Policy followed-up on the suggestion of Marvin Stone and became the first state to require continuing education for CPAs. The Iowa requirement stated in part that:

In order to register as "in practice" for the year 1972 and thereafter, the Certified Public Accountant or Public Accountant must furnish evidence of participation in continuing education for a minimum of 15 days within the preceding three-year period.⁴

Soon after Iowa passed the above resolution, the AICPA appointed an Ad Hoc Committee on Continuing Education and charged it with examining the desirability of making continuing education a formal requirement of the profession and of studying ways of implementing such a requirement.⁵ In 1971, the committee presented a resolution to the Council of the AICPA which was subsequently adopted. The resolution read as follows:

WHEREAS, the explosion of knowledge and the increasing complexity of practice make it essential that certified public accountants continue to develop their competency, and

WHEREAS, the public interest requires that certified public accountants provide competent service in all areas of their practice, and

WHEREAS, formal programs of continuing education provide certified public accountants with the opportunity to maintain and improve their competence

THEREFORE BE IT RESOLVED that the Council of the American Institute of Certified Public Accountants urges each of the several states to institute a requirement, by legislation or regulation as may be appropriate, that they are continuing their professional education as a condition precedent to the reregistration, renewal of permit to practice, or other validation of a CPA's designation.

⁴Valdeau C. Lembke, John H. Smith, and V. H. Tidwell, "Compulsory Continuing Education for CPAs," The Journal of Accountancy, CXXIX, No. 4 (April 1970), p. 61.

⁵Elmer G. Beamer, "Continuing Education--A Professional Requirement," The Journal of Accountancy, CXXXIII, No. 1 (January 1972), p. 33.

FURTHER BE IT RESOLVED that the National Association of State Boards of Accountancy be asked to consider this resolution with a view to lending its support.

FURTHER BE IT RESOLVED that in the interest of uniformity the Council urges each of the several states to adopt guidelines attached to the report of the committee on continuing education.⁶

The guidelines attached to the resolution provided, among other things, for the applicant to have completed 120 hours or 15 days of acceptable continuing education in a three-year period (see Appendix B). This requirement was the same as the requirement which had been adopted by the Iowa Board of Accountancy Policy, two years earlier.

Following the 1971 resolution adopted by the Council, most states appointed committees to study the problem of continuing education. Since that time, several states have adopted "compulsory" programs of continuing education, a few states have adopted "voluntary" programs of continuing education, and some states are still studying the issue.⁷

The trend has been, however, toward eventual adoption of CCE. Each year since 1971, a few more states have finally adopted a continuing education requirement, and at this time, there appears to be little doubt that eventually continuing education will be a requirement for all CPAs in the United States.

Compulsory Continuing Education Defined

Before getting too far into the study, it is necessary to make certain that everyone has a common understanding of the continuing education concept. Nearly everyone has some intuitive meaning which he

⁶Ibid., p. 35.

⁷Information received from 40 state societies of public accounting accounting in response to a request from the author.

attaches to the concept, but unfortunately, the intuitive meaning is not the same for everyone. On one end of a continuum lies the person who believes that continuing education requirements can only be met by completion of additional college-level courses. Persons who share this view would not consider as acceptable, for meeting continuing education requirements, such things as professional development programs sponsored by the AICPA or state accounting societies, in-firm professional development courses, correspondence courses, and formal self-study methods. On the other end of the continuum lies the person who believes that anything that contributes to a CPA's overall development should be considered acceptable for meeting continuing education requirements. Those who share this view would not only accept all types of accounting study, from formal college level courses to all types of self-study, but would also accept nearly any other type of study which would lead to the CPA's overall development. For example, they would consider the study of cultural topics, such as music and art, as being acceptable for meeting continuing education requirements. Between these two polar views lie any number of other views about the continuing education concept.

Because of this diversity of views about the meaning of continuing education, it is necessary to define continuing education for the purposes of this study. The definition which has been selected for this purpose is a definition developed by the AICPA's Ad Hoc Committee on Continuing Education. According to the Committee continuing education is, "formal programs of learning which contribute directly to the professional competency of an individual after he has become a

CPA."⁸

This definition has three major requirements which will be explained further in order to ensure a common understanding of the continuing education concept among all readers of this study. All three requirements must be met in order to satisfy the definition.

First, the definition limits continuing education to "formal programs of learning." At first glance, this requirement seems to preclude any form of self-study from being continuing education. This, however, is not so. Some types of self-study are continuing education within the meaning of the definition. For example, correspondence courses are continuing education if they require written assignments to be turned in and/or examinations to be passed.

Of course, all self-study is not continuing education. For example, the CPA who spends hours reading the tax service in order to determine the proper way to handle a particular tax problem for his client is not engaging in continuing education within the meaning of the continuing education definition because his work cannot be considered a "formal" program of learning.

The second requirement is that the formal program of learning must "contribute directly to the professional competency of an individual." This provision excludes purely cultural topics and other such topics that are not strictly "accounting-related" topics. For example, a formal study of communication theory would qualify because it is directly related to the CPA's role as a communicator of financial data.⁹

⁸Elmer G. Beamer, "Continuing Education--A Professional Requirement," The Journal of Accountancy, CXXXIII, No. 1 (January 1972), p. 33.

⁹Ibid.

The last part of the definition distinguishes between "formal educational activity which precedes certification and is preparation for the profession, and that which follows certification, i.e., continuing education."¹⁰ No study prior to the passing of the CPA Examination is considered continuing education.

Now that everyone has a common understanding of the "continuing education" concept as it will be used in this study, we can expand the definition to one of "compulsory" continuing education. In this study, compulsory continuing education means, continuing education that is required by legislation or regulation, and for which a penalty is imposed for failure to meet the minimum requirements. The penalty is usually forfeiture of the right to practice as a CPA until the requirements are met.

Thus, compulsory continuing education is formal programs of learning which are required, either by legislation or regulation, and which contribute directly to the professional competency of an individual after he has become a CPA. Such "compulsory" programs must be distinguished from the "voluntary" continuing education programs which several states, including Louisiana, have adopted. Under a compulsory program it is mandatory that a certain amount of continuing education be achieved in a specified time period, whereas, under a voluntary program it is merely suggested that a CPA should attempt to achieve a certain amount of continuing education during a specified time period. Unlike the compulsory programs, the voluntary programs carry no penalty which can be assessed against CPAs who fail to meet the conditions of the program. In effect, the voluntary programs are really little more

¹⁰ Ibid.

than reporting and record keeping procedures in which CPAs are asked to report the extent of their participation in continuing education during a specified time period and the state societies merely record, but take no action on, the information they receive.

Statement of the Problem

In March 1974, the Executive Board of the Society of Louisiana CPAs adopted a voluntary program of continuing education for its members. The basic requirement of the recently adopted voluntary program is 20 hours of continuing education for 1974, 30 hours for 1975, and 40 hours for 1976 and thereafter. Each member has been directed to provide to the board annually, information about the number of hours of continuing education, in that year, in which he has participated.¹¹ Since the program adopted is "voluntary", no penalty has been provided for a member who fails to report or who fails to meet the basic requirement of the program.

Many learned individuals and groups have recognized that for a continuing education program to be effective, it must be compulsory. For example, Marvin Stone recommended "compulsory" continuing education when he first brought up the subject in 1967.¹² The AICPA Council recognized the need for a "compulsory" program when it adopted the 1971 resolution which, "urges each of the several states to institute a

¹¹Harold J. Smolinski, Report from the Committee on Continuing Education of the Society of Louisiana CPAs, Reports of Officers, Chapters, and Committees--1973-74, (June 1974), pp. 29-30.

¹²Marvin L. Stone, "The Arguments for Required Continuing Education by Legislation," Colorado CPA Report, XXXVI, No. 1 (Summer 1971), p. 12.

requirement by legislation or regulation as may be appropriate."¹³

To most people it is obvious that a voluntary program will not be sufficient because, "statistics indicate that a large percentage of practitioners seldom, if ever, participate in voluntary programs."¹⁴ In fact, voluntary programs can be worse than no programs at all, because, "to recommend other than some form of required programs would serve only to perpetuate the status quo,"¹⁵ and the status quo is not acceptable.

Louisiana has a need for a compulsory continuing education program for its CPAs. The voluntary program which has recently been adopted has little chance of satisfying that need because those who have most need of continuing education, those who do not presently keep up on their own, are most likely the same ones who will not "voluntarily" attend continuing education programs.

This study is an attempt to develop a model program of compulsory continuing education for Louisiana CPAs, which if adopted, would satisfy the need for a compulsory continuing education program in Louisiana.

Research Methodology

The study was performed in four phases. In the first phase, an extensive review was made of the literature. The literature review served several purposes. First, it established the fact that a definite need does exist for compulsory programs of continuing education for CPAs.

¹³Beamer, op. cit., p. 35.

¹⁴Norman H. Stavisky, "A Case for Open Mandatory Continuing Education," Massachusetts CPA Review, XL, No. 2 (March/April 1973), p. 8.

¹⁵Ibid.

It also established that in many states, the CPAs themselves recognize this need and support the concept of compulsory continuing education.

Next, the literature review revealed the approaches taken by other professions, specifically the medical and legal professions, in attempting to keep current the educational competency of their members. Also, it revealed the approaches used in several states to get compulsory continuing education programs for CPAs adopted and some of the pitfalls which were encountered in doing so.

Finally, the literature review supplied valuable information which was incorporated into a questionnaire used to solicit from Louisiana CPAs, their views about compulsory continuing education.

In the second phase of this study, help was solicited from those who have already been working with the problem of compulsory continuing education. Requests for information were sent to the AICPA and the state CPA societies of fifty states and the District of Columbia. Specifically, the AICPA was asked for a questionnaire it had used to survey its members about the need for compulsory continuing education. The state societies were asked for any questionnaires that they may have used for the same purpose, and also for information on the status of the continuing education concept in their state.

Approximately one year later, the information regarding the status of the continuing education concept in the various states was updated. This was done by sending a follow-up letter to the 51 state societies asking for current information. In addition to updating the previous data, the data received was used to demonstrate that a trend exists toward ultimate acceptance of the compulsory continuing education concept.

In the third phase of the study, views of Louisiana CPAs were

solicited regarding compulsory continuing education, and specifically, regarding what features should be included in such a program. Views of the CPAs were obtained through use of a questionnaire which was developed for that purpose, and which was mailed to nearly all members of the Society of Louisiana Certified Public Accountants (SLCPA).

In the final phase of the study, a model program of compulsory continuing education for Louisiana CPAs was developed. Ideas which formed the majority view of the respondents to the questionnaire, along with selected features of the programs of other states and ideas of the AICPA and learned authors, were incorporated into the model program.

Significance of the Study

Louisiana has recently adopted a "voluntary" continuing education program for its CPAs. In many respects, adoption of a voluntary program was worse than adoption of no program at all. Once such a voluntary program is adopted, the work of those who are attempting to obtain acceptance of a "compulsory" program is often stymied. In fact, for a short time the current study was stymied while the author re-evaluated the need for the current study in light of the fact that a committee,¹⁶ which had studied the problem for some time, had concluded and recommended that a voluntary program should be adopted.

As stated earlier, there is a need for a "compulsory" program of continuing education in Louisiana. It is hoped that the present study will provide new impetus toward the eventual adoption of a compulsory

¹⁶Ad Hoc Committee on Continuing Education of the Society of Louisiana Certified Public Accountants.

program in Louisiana.

When the Louisiana CPA profession becomes ready to switch from its "voluntary" program to a "compulsory" program, the present study will be available with its model program which could be adopted verbatim. Although this is not likely, certainly the model program can serve as a starting point in the development of a compulsory program which is designed to serve the needs of the Louisiana CPA profession at that time.

The study will also be available to other states as they develop continuing education programs of their own, and it is hoped that the arguments for a compulsory program, and against a voluntary program, will help to convince other states that what is needed is a compulsory program. Once they arrive at this conclusion, then the model program in the current study, although designed specifically to meet the needs of Louisiana CPAs, can serve as a starting point for their programs. At least, some of the features contained in the model program could serve as input into their decision models and could be considered for their programs.

Finally, the study will serve as a summary of the status of continuing education for CPAs as it exists today and will be a point from which other researchers in the area might begin.

Scope and Limitations of the Study

Every researcher finds that it is necessary to limit the scope of his research in some manner. The present study was limited in several ways.

First, the scope of the study was limited to development of a

model program for Louisiana CPAs. No attempt was made to extend the survey or re-design the model so that it might serve CPAs in other states. Also, the end result of the study was design of the model program. No attempt was made to actually get the program implemented.

Another limitation was the use of the questionnaire as a research tool. Although care was taken to make the questions as clear as possible, certain respondents may have given erroneous answers because of their failure to understand what was asked. Of course, this is a limitation that is shared by all researchers who use the questionnaire as a research tool.

Because of limited finances, it was necessary to have only one mailing of the questionnaire. Although the usable response rate of 35.7 percent is large enough to give statistically valid results, there is still some possibility that the views of the sample respondents are not adequate representations of the views of the Louisiana CPA profession as a whole because of non-response bias.

A final limitation was the selection of the sample from the 1974 Directory of Members which was published in January 1974, by the Society of Louisiana Certified Public Accountants. The directory was approximately nine months old when the mailing list was prepared. Therefore, new Louisiana CPAs, those who became certified for the first time in 1974 and those who received reciprocity from Louisiana in 1974, were automatically excluded from the study.

Organization of the Study

Chapter I has introduced the study, defined the concept of compulsory continuing education for CPAs, stated the problem, and

presented the methodology utilized.

Chapter II establishes the need for a compulsory continuing education program for CPAs. Arguments for and against the concept are presented and discussed. Studies of need for the concept which were performed by the AICPA, state societies, and learned authors are reviewed and summarized in the chapter. The chapter also takes a look toward other professions, specifically the medical and legal professions, and determines the status of the compulsory continuing education concept in those professions.

Chapter III looks toward the CPA profession in various states and studies the approaches taken in those states to obtain acceptance of the CCE concept. The plans of those states which have adopted continuing education programs are examined in detail and compared for similarities and differences. The trend toward eventual acceptance of the compulsory continuing education concept is also discussed in Chapter III.

In Chapter IV, a questionnaire is designed and mailed to nearly all members of the SICPA. Results of the questionnaire responses are then analyzed by the chi-square test. Then, in Chapter V, the model program of compulsory continuing education for Louisiana CPAs is developed from the views of the majority of the respondents to the questionnaire, selected features of plans of other states, and views of the AICPA and learned authors.

Chapter VI, the final chapter, summarizes and concludes the study. Recommendations are also given for further work in the area.

CHAPTER II

NEED FOR COMPULSORY CONTINUING EDUCATION

Somewhere, someone once said, "There's no such thing as the ladder of success--it's a greased pole." This phrase depicts rather clearly the condition of the CPA at the time he passes the examination for his certificate. He worked hard to get where he is; unless he keeps working his way upward, he will have to slide downward.¹

The purpose of this chapter is to show that there is a need to require CPAs to continue their education beyond the passing of the CPA examination. Too many CPAs have allowed themselves to slide down the greased pole by failing to keep up in a rapidly changing profession. Because of this, it has become necessary to require all CPAs to continue their education and to regain the competence they had at the time they passed the CPA examination.

Not everyone agrees with this position, however. There are some CPAs who, for various reasons, do not believe that compulsory continuing education (CCE) is necessary or desirable.

First, selected arguments supporting both positions, for and against CCE, will be presented in the chapter. Then, the results of other studies which have been made regarding the need for CCE will be shown. Following that, Louisiana's voluntary continuing education program will be presented and discussed. Finally, the

¹Samuel Horovitz, "Mandatory Continuing Education," Pennsylvania CPA Spokesman, XLIV, No. 2 (October 1973), p. 11.

chapter will be summarized and the next chapter will be introduced.

Arguments For and Against

The CCE concept was first presented by Marvin Stone to a conference on ethics in New York in 1967.² Mr. Stone saw CCE as a means of "attempting to solve the problem of substandard work,"³ which was plaguing the accounting profession. He was of the opinion that, "most of the bad work we see is the result of ignorance, the result of putting one's brains on the shelf the day one hangs out his shingle."⁴ He did not believe that the substandard work was the result of willfulness. This, of course, is a very important point, because, if the bad work was caused by willfulness, rather than ignorance, CCE would do no good.

Marvin Stone was president of the AICPA in 1967 when he first presented his ideas regarding CCE. Certainly he was in a very good position to know if substandard work was a major problem of the profession and he was also in a position to get some feedback as to whether the problem was caused mainly by ignorance or by willfulness.

Even the opponents of CCE agree that, "regrettably, incompetency, poor performance, and low standards of work do exist in our profession."⁵

²Marvin Stone, "The Arguments for Requiring Continuing Education by Legislation," The Journal of Accountancy, CXXXIII, No. 1 (January 1972), p. 56.

³Ibid.

⁴Ibid.

⁵Harold E. Williamson, "The Arguments Against Requiring Continuing Education by Legislation," The Journal of Accountancy, CXXXIII, No. 1 (January 1972), p. 58.

They also recognize that,

Continuing education is as vital to our profession as any segment of our society. It's vital to each of us as individuals, to each of us who desires to improve his skills and maintain his competence. It is very important to our profession upon whom the public is relying for expert opinions on financial statements, as well as tax services and other areas in which CPAs have become skilled.⁶

If the opponents to CCE agree that substandard work is a problem and also agree that continuing education is vital, why do they oppose the CCE concept? Their opposition stems from a belief that the CCE "approach may not or can not yield the desired results."⁷ They believe that the causes of incompetency are many and diverse and that those causes will not all be eliminated by requiring CPAs to attend a certain number of hours of continuing education courses. They also believe that you cannot force someone to learn and they point out that an incompetent CPA could meet the CCE requirements by merely attending continuing education programs without making any effort to learn from the material being presented at the programs.

There may be some truth in that position. Perhaps some incompetent CPAs will not learn anything from attendance at continuing education courses, "however, I am convinced that most licensees will be smart enough to take advantage of educational programs when they are required to take them. The important thing is to get them there."⁸

⁶Ibid.

⁷Ibid.

⁸C. Richard Spriggs, "Continuing Education--Contributing to Professional Competence," The California CPA Quarterly, XLI, No. 2 (September 1973), p. 30.

It is very difficult to determine if CPAs actually learn from continuing education programs even after they get there. It is even more difficult to determine if substandard work is reduced by forcing CPAs to engage in continuing education. In Iowa, however, "there is general agreement that it has brought about a higher standard of practice and that it is in the public interest for CPAs to maintain their skills through continuing education."⁹

The question still remains, is it really necessary to force CPAs to continue their education? There are some CPAs who feel that "they do not wish to be required to do, in a formal or specifically prescribed manner, that which they would do anyway as responsible professionals."¹⁰ On the other hand, "there will always be some people, regardless of profession, who will not continue their post-degree education unless compelled to do so."¹¹ While it is true that some CPAs continue their education because they know that, as true professionals, they should do so, statistics show that the vast majority of CPAs do not attend continuing education courses unless they are required to do so. For example, during the fiscal year ended August 30, 1970, only approximately 20 percent of the AICPA members, 14 percent of the total CPAs in the United States, participated in AICPA-sponsored continuing education courses.¹²

⁹William O. Martin, "Mandatory Continuing Education--The Iowa Story," Pennsylvania CPA Spokesman, XLIV, No. 2 (October 1973), p. 13.

¹⁰Roger G. Froemming, "Continuing Professional Education," Wisconsin CPA, CIV, No. 4 (October 1974), p. 4.

¹¹Horovitz, op. cit., p. 10.

"If an equal number of CPAs pursued their continuing education in training programs developed by their firms or other organizations or engaged in meaningful self-study, it is still painfully apparent that a majority of CPAs, are not active participants in continuing education."¹³ When we contrast those statistics with those of a state which requires CPAs to continue their education, we see some of the value of a CCE program. For example, "in a recent survey of Iowa CPAs it was found that over 95% of the CPAs in the state had been complying with the requirement."¹⁴ Iowa requires a CPA to participate in 120 hours of continuing education in a three-year period. As stated earlier, Iowa was the first state to adopt such a requirement.

Proponents of CCE point out that,

CPAs are licensed for only one reason and that is to protect the public. The public relies upon us because of our knowledge and our independence. Since nothing is more perishable than knowledge, the public is entitled to some assurances that the CPA possesses not just the knowledge needed to pass the CPA examination at the commencement of his career but also sufficient current knowledge to prevent obsolescence in this age of expanding knowledge.¹⁵

Maintaining "sufficient current knowledge to prevent obsolescence" is not easy.

¹²Elmer G. Beamer, "Continuing Education--A Professional Requirement," The Journal of Accountancy, CXXXIII, No. 1 (January 1972), p. 35.

¹³Ibid.

¹⁴Martin, op. cit.

¹⁵Stone, op. cit.

It has been estimated that man's knowledge doubled between the year 1900 and 1950 and that it will double again by 1975. Some have suggested that it will double every five years or less. In the face of this phenomenon, CPAs, like those in other kinds of activity, must continue to learn. Simply put, continuing education is the alternative to obsolescence.¹⁶

This "explosion of knowledge" has certainly been felt in accounting. "Those of us trying to keep up with the releases of the Accounting Principles Board during the past 10 years know that this has to apply to public accounting."¹⁷

Opponents of CCE do not deny the "explosion of knowledge" but they point out that there has also been "an explosion of communications,"¹⁸ by which this knowledge can be disseminated. As an example, they point out that,

Many professional persons listen to cassette tape lectures regularly while driving to and from work, as well as at other times. This form of "learning experience" was not available a very few years ago.¹⁹

While it is true that some professionals listen to cassette tape lectures, it is doubtful if a significant number of them do so. It is especially doubtful that those CPAs who are performing substandard work are the ones who regularly listen to such lectures, and those are the CPAs that make CCE necessary. Therefore, in the case of many CPAs, the so-called "explosion of communications" has been little,

¹⁶Beamer, op. cit., p. 34.

¹⁷Spriggs, op. cit., p. 24.

¹⁸Robert F. Roeser, "The Case Against a Continuing Education Law in Georgia," The Georgia CPA, XV, No. 1 (1973 - 1974), p. 8.

¹⁹Ibid.

if any, help in enabling them to cope with the "explosion of knowledge" in public accounting.

Opponents of CCE also do not deny that CPAs are licensed to protect the public, but they feel that,

The problem of incompetency is considered a problem especially in the accounting and auditing services of our profession. It is doubtful that the proposed requirement for continuing education is felt necessary with regard to tax and various consulting practices of CPAs. Possibly one reason for this is that the public is able to ferret out incompetency in tax and accounting practice and they just don't engage the incompetent practitioner.²⁰

The CCE opponents do not believe that the proposed CCE rules would get rid of incompetency in accounting and auditing, the two areas where they agree that the public needs protecting. They point out that under the CCE rules in those states which have CCE requirements, a CPA is usually given the option to choose his own continuing education courses and that a tax specialist who does a little auditing on the side, for example, would no doubt meet his CCE requirement by attending only tax courses.²¹ This, of course, would do nothing to improve his ability to perform a competent audit.

It is true that most CCE rules, as they presently exist, allow a CPA to choose his own courses and that a CPA could, if he so chooses, select courses only in his major area of specialization, however, the argument is not valid against the concept of CCE, but rather, only against the CCE rules as they are presently written in most states. This problem can easily be minimized or avoided by following the example of the State of Florida which requires at

²⁰Williamson, op. cit., p. 59.

²¹Ibid.

least 32 hours, of its total requirement of 120 hours in a three-year period, to be in accounting-related or auditing-related subjects.²²

Another argument often heard against CCE for CPAs is that:

Other professions charged with life and death decisions, such as the legal and medical professions, do not have mandated continuing education requirements. Are the practitioners of the profession of accounting less honorable or less responsible than those in other professions? If not, why should our profession be more closely regulated by the State?²³

While it is true that the legal profession does not yet have a CCE requirement, "the legal profession at both state and national levels is giving some thought to required continued legal education."²⁴ Therefore, it is quite probable that before many more years, the legal profession may adopt CCE for its members. Some states have already taken the first steps toward that end. For example:

Continuing legal education is actively encouraged by the State Bar of Texas. . . . Today the program emphasizes listening to tape cassettes during off hours. However, it is not a requirement.

No other state or national group of lawyers presently require continuing education. . . .²⁵

So, at present, the argument that the legal profession does not require CCE of its members is accurate. What of the medical profession?

²²Florida, State Board of Accountancy, The Accountancy Law and Rules Relating to the Practice of Public Accountancy, Sec. 473.111(6a.1), (1974).

²³Arthur J. Dixon, (Chairman), Report of Committee on Mandatory Continuing Education, The New York State Society of Certified Public Accountants, (1973), p. 11.

²⁴Report of the Ad Hoc Committee on Required Continuing Education, Texas Society of Certified Public Accountants, (1972), p. 3.

²⁵Ibid.

There is no doubt that the medical profession has taken the lead [in regard to CCE]. Generally, its requirements are related to membership in its specialty academies and it can enforce them because membership in the academies is generally necessary to practice in hospitals.²⁶

The medical profession is not required by all states to engage in CCE. In addition, not all branches of the medical profession have the same requirements in those states which do require CCE of some members of the medical profession. For example, on December 20, 1972, the American Optometric Association reported that the various branches of the health profession had CCE requirements in the following number of states:²⁷

Chiropractic	27
Dentistry	9
Medicine	3
Nursing	1
Osteopathy	13
Pharmacy	4
Podiatry	4

As the data shows, the medical profession does have some CCE for some branches in some states. However, CCE in the medical profession is not yet universally required. Therefore, for certain states, the argument that the medical profession does not require CCE is accurate. However, the medical profession has made great strides in getting CCE passed in many states, so it appears that, CCE is coming to the medical profession also.

The AICPA has recommended that CPAs engage in 120 hours of continuing education in a three-year period.²⁸ Let us see how

²⁶Beamer, op. cit., p. 38.

²⁷Dixon, op. cit., p. 17.

²⁸Beamer, op. cit., p. 35.

that recommended requirement compares with some of the requirements in the medical profession.

In 1973, the New York State Society of Certified Public Accountants reported that six states require CCE for dental relicensure.²⁹ This data differs from that released by the American Optometric Association which reported that nine states³⁰ had CCE requirements for dentists. The difference is explained by the New York Society of CPAs by the fact that, "in the course of compiling this data, [their office] received conflicting statements from sources that are equally authoritative."³¹ Regardless of the difference in the number of states, let us look at the dental CCE requirements in some of the at least six states that have such requirements. In Pennsylvania, for example, the requirement is simply, "satisfactory completion of a continuing education course and/or the attendance at a scientific meeting of a dental organization for each biennial registration."³² This requirement is quite minimal and is obviously less demanding than the recommendation of the AICPA. Of the six states which the New York Society of CPAs reported as having CCE requirements for dentists, Pennsylvania appears to have the least demanding requirements. The State of Kansas, on the other hand, appears to have the most demanding CCE requirement for dentists.

²⁹Dixon, op. cit., p. 17.

³⁰Ibid.

³¹Ibid.

³²Ibid.

In Kansas, the requirement is 30 hours of CCE every three years.³³ Again, the requirement is much less demanding than the requirement recommended by the AICPA.

Let us look at the CCE requirements in one more branch of the health profession, the optometric profession. More states require the optometric profession to meet CCE requirements than any other branch of the health profession except the chiropractic profession. In 1973, it was reported that 24 states have some type of CCE requirement for optometrists. The requirements in those 24 states range from six hours per year in the states of Maine, North Carolina, and South Carolina, to twenty hours per year in the State of Mississippi.³⁵ These requirements, although more demanding than the CCE requirements for dentists, are still less demanding than the AICPA's recommended requirements.

Therefore, there is again some accuracy in the argument that the legal and medical professions are not required to meet CCE requirements. Even in those branches of the health professions which are required to continue their education, the requirements are generally quite minimal.

Should the lack of CCE requirements in the legal and medical professions be good justification for not passing CCE requirements for the CPA profession? Are the professions comparable? In at least one very important way, the answer is no. The work of CPAs "is not as

³³Ibid.

³⁴Ibid., p. 18.

³⁵Ibid.

easily reviewed"³⁶ as the work of other professionals.

Physicians, for example are under constant scrutiny by hospital professional practice committees. Tissue committees are constantly peering over a doctor's shoulder to make sure that he does not take out too many "remunerative" appendixes. Lawyers, at least regarding their courtroom work, are under the surveillance of judges. Architects' plans must be approved by building department engineers before a building permit can be issued.³⁷

What independant group watches over the shoulder of CPAs? The Securities and Exchange Commission (SEC) and the Internal Revenue Service (IRS), of course, watch for compliance with their regulations, but this accounts for only a small part of CPA work. For the most part, CPAs have no independant person or group reviewing their work.

Another area where the CPA profession is not comparable with other professions is in its relationship with its clients. In most professions, the client purchases services and it is in the client's best interest to see that he gets the best possible services. This is not always true in the CPA profession, especially in auditing. In auditing, the client must pay for the CPAs services but it may not necessarily be in his best interest to obtain the best possible services. For example, perhaps the manager's bonus depends upon the level of income which his company earns in a particular year. If he can find a CPA who reports more income than the amount which should be reported under generally accepted accounting principles, his bonus will be larger. The manager may be tempted to hire the CPA who reports the erroneous income. The problem, of course, is that in auditing,

³⁶Stone, op. cit., p. 57.

³⁷Ibid.

the services of the CPA protect persons other than the person who pays the CPA's audit fee. This is a problem that is unique to the CPA profession.

Some CPAs oppose CCE because they believe that, "continuing education in the proposed form of formal programs could very well not be feasible in some of the highly specialized areas of a CPA's practice."³⁸ For example, some CPAs in large firms function only in administrative areas, such as personnel. CPAs who oppose CCE for this reason ask: "Why should those who chose to practice in another part of our field be required to meet the same requirements as those who regularly express opinions on financial statements?"³⁹ CPAs who have chosen to practice in some field other than public practice, such as in industry, in government, or in education ask a similar question. Why should CCE rules apply to them?

The answer to these questions is, of course, that there is only one class of CPAs. The CPA profession has chosen not to recognize specialities. Therefore, all CPAs have the same rights and privileges as all others. They should also have the same obligations.

After all, any CPA can express an opinion on financial statements, even in states with permissive statutes. In order to control continuing education, there will have to be "formal programs of learning which contribute directly to the professional competence of an individual after he has been licensed to practice public accounting."⁴⁰

³⁸Williamson, op. cit., p. 59.

³⁹Ibid.

⁴⁰Horovitz, op. cit., p. 10.

Some CPAs oppose CCE because they do not want to see additional control of the CPA profession by government. In their opinion, "there is too much government control affecting our lives" already. The problem is that:

The public is demanding that all professionals; doctors, lawyers, CPA's, give evidence that they understand the obligations that go with freedoms of self rule. They feel the only convincing evidence of our acceptance of this obligation is our willingness to make continuing education a mandatory, legally enforceable law, just as our code of ethics is a law.⁴¹

Unless we devise a system to assure the public that our fitness to practice is judged correctly and not merely on a one-time basis, someone else will devise a system for us.⁴²

Government agencies are moving in the direction of setting standards for accounting practice. We, in the profession, should take the initiative and set standards ourselves by supporting a mandatory continuing education concept.⁴³

Legislation will be passed in the near future because the SEC wants it and because our The State of Wisconsin's Accounting Examining Board believes it is needed. Both feel it will help to reduce sub-standard work in public practice.⁴⁴

One major argument against CCE is that it will be very costly. The median cost of the courses has been \$50.00 to \$55.00 per day.⁴⁵ "Practitioners in the smaller firms so often say, 'If it didn't cost

⁴¹Robert B. Geis, "Some Thoughts on Mandatory Continuing Education," Colorado CPA Report, XXXVII, No. 2 (Fall 1972), p. 2.

⁴²Stone, op. cit., p. 58.

⁴³Dixon, op. cit., p. 10.

⁴⁴Froemming, op. cit., p. 18.

⁴⁵Roeser, op. cit., p. 11.

so much we could go'." ⁴⁶ The large firms point to their already substantial investment in their own programs. ⁴⁷

Some . . . have suggested that if education is going to become a requirement and a public matter, as in education in our public school system, then it should be paid for by the public and not by just those who attend. ⁴⁸

Others have suggested that:

Any compulsory education law should include some method of controlling the cost of the courses, seminars, etc., perhaps by requiring approval by the State Board of Accountancy of the amounts charged for the courses. ⁴⁹

It is obvious that CCE will be quite costly for the CPA profession. However, it does not have to be as costly for the individual CPA as it might at first appear. With a median cost per course of \$50.00 to \$55.00 per day and an average requirement of five days per year (120 hours in a three-year period) it appears that the median cost to each CPA would be about \$250.00 to \$275.00 per year. However, "with the tremendous increase in the demand for courses, we hope that increased volume will permit a reduction in unit costs." ⁵⁰ If such a reduction becomes possible, as it should, the cost to each individual CPA should be less than it at first appears.

Some opponents to CCE believe that:

⁴⁶ Elmer G. Beamer, "Should Continuing Education be a Professional Requirement?" Selected Papers 1970, Haskins and Sells, 1971, p. 39.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Roeser, op. cit., p. 11.

⁵⁰ Spriggs, op. cit., p. 30.

Home study is more effective than attendance at formal education courses. A practitioner researches problems that have a direct relationship to his practice. Under the suggested guidelines, this type of education would not qualify, even though there is a growing trend at the colleges indicating that class room attendance and participation are no longer necessary.⁵¹

Other opponents to CCE believe that CCE will take away time from home study and that:

To the extent that mandatory attendance at courses for credit deprives the practitioner of time needed for professional reading on subjects upon which he knows he needs information, the mandatory attendance will be a disservice to the profession and to the public.⁵²

No one doubts the value of home study. Proponents of CCE believe, however, that:

The requirement of formal education programs as prescribed in the Beamer report would furnish the practitioner with valuable experience which can only be gained by the interaction available in a classroom or seminar atmosphere. This would contribute to the raising of the level of competency.⁵³

Home study can not be a substitute for CCE. The problem with home study is that, "there is no systematic method for its evaluation."⁵⁴ "While recognizing that we learn in informal ways, the very diversity of potential learning experiences precludes any systematic method of evaluation of informal methods."⁵⁵

⁵¹Dixon, op. cit., p. 11.

⁵²Roeser, op. cit., p. 9.

⁵³Dixon, op. cit., p. 9.

⁵⁴Spriggs, op. cit., p. 24.

⁵⁵Austin G. Robertson, "Continuing Professional Education," The Louisiana Certified Public Accountant, XXXIII, No. 2 (Fall 1974), p. 45.

Some CPAs believe that they can learn enough through home study to "keep up" in the profession. Although probably some of them can, statistics indicate that most of them can not. For example, in Florida a CPA is permitted to take a special examination in lieu of attending continuing education courses.

The first examination was taken by 132 Florida CPAs (of whom 25 percent passed) on September 21, 1974. The four-hour examination consisted of 40 closed-book objective questions (and one optional essay question) on subjects with which a CPA should be thoroughly familiar and 60 open-book objective questions on subjects with which a CPA should be generally familiar.⁵⁶

If only 25 percent of the Florida CPAs passed an examination on subjects with which they should be either "thoroughly familiar" or at least "generally familiar," it is obvious that the CPAs need more than informal study to keep up in their profession.

A major problem with allowing home-study in lieu of CCE, unless a special examination is given as in Florida, is that incompetents are less likely to engage in meaningful home study than the competent CPAs and it is the incompetents who have most need of continuing education.

Findings of Other Studies

The previous section presented some of the more significant arguments for and against the CCE concept. This section will present the opinion of CPAs as to whether there is a need for CCE. Studies made by the AICPA, CPA societies of several states, and prominent scholars will be briefly summarized to show that, in general, CPAs

⁵⁶David B. Pearson, "Continuing Education: A Meeting of the Minds?" The Journal of Accountancy, CXXXIX, (January 1975), p. 86.

support the CCE concept.

AICPA Study

On October 20, 1970, the AICPA published the results of a study which was made by its Committee on Continuing Education entitled: Should Continuing Education be Made a Formal Requirement of the Profession.⁵⁷ Section II of the study pertained to "the need for continuing education."⁵⁸

In order to determine if there was indeed a need for continuing education in the profession and to obtain other information about continuing education, the Committee developed a questionnaire which it sent to the top officials of the major accounting societies and regulatory agencies. The questionnaire was sent to members of the Council of the AICPA, chairmen of the State Boards of Accountancy, members of the Executive Board of the National Association of State Boards of Accountancy (NASBA), executives of the State Societies of Certified Public Accountants, and to members of their own Compulsory Continuing Education Committee.⁵⁹

One question that members of the above sample were asked was: "Do you agree that the profession should now adopt a requirement for continuing education?"⁶⁰ To this question, the following responses

⁵⁷ Committee on Continuing Education, Should Continuing Education be Made a Formal Requirement of the Profession? American Institute of Certified Public Accountants, New York: 1970.

⁵⁸ Ibid., p. 14.

⁵⁹ Ibid.

⁶⁰ Ibid.

were received;⁶¹

Council	Yes	88	No	16
State Board	Yes	32	No	7
NASBA	Yes	14	No	4
State Society	Yes	13	No	1
CCE Committee	Yes	6	No	0

As can be seen from the tabulation, every group of respondents was overwhelmingly in favor of the profession adopting a requirement for continuing education. In total, 84.5 percent of the 181 respondents favored continuing education and felt that there was a need for it in the profession.

CPA Societies' Studies

CPA societies in several states have surveyed their members to determine the extent of support for CCE. Results of some of those surveys will be briefly presented below:

Florida. In 1972, the Florida Institute of Certified Public Accountants, in a questionnaire sent to its members, asked: "Do you favor the adoption of some form of compulsory program of continuing education to replace the present voluntary program?"⁶² Response to the question was 65 percent for CCE and 35 percent against CCE.⁶³

Maryland. In 1973, 65 percent of the respondents to a questionnaire prepared by the Maryland Association of Certified Public Accountants favored CCE.⁶⁴

⁶¹Ibid.

⁶²Ad Hoc Committee on Continuing Education, Continuing Education, (Report to the Florida CPA Profession) Florida Institute of Certified Public Accountants, 1972, p. 15.

⁶³Ibid.

⁶⁴Paul G. Wist, Continuing Education Report, Maryland Association of Certified Public Accountants, 1972, p. 15.

Ohio. Over 2300 CPAs⁶⁵ responded to the Ohio Society of Certified Public Accountants' questionnaire in 1973. Over 75 percent⁶⁶ of the respondents favored continuing education while 61.4 percent⁶⁷ favored CCE for renewal of the annual permit to practice public accounting.

Oklahoma. The Oklahoma Society of Certified Public Accountants made continuing education surveys in 1970 and 1972. "In contrast to 72% who responded favorable in 1970, 96% responded favorably concerning continuing education in this latter survey."⁶⁸ Of the respondents to the 1972 survey, "fifty-four percent believed that continuing education should be mandatory."⁶⁹

Tennessee. In a survey conducted by the Tennessee Society of Certified Public Accountants, 475 of 587 respondents⁷⁰ or nearly 81 percent answered "yes" to the question: "Do you believe that the CPA profession should adopt a requirement for continuing education?"⁷¹

Texas. The Texas Society of Certified Public Accountants (TSCPA) made several surveys regarding CCE.

⁶⁵"Nearly 2400 Respond to Legislation Questionnaire," Newsletter, The Ohio Society of Certified Public Accountants, XII (October 1973), p. 1.

⁶⁶Ibid.

⁶⁷Ibid.

⁶⁸William C. Mc Grew, Report of Continuing Education, Oklahoma Society of Certified Public Accountants, June 27, 1973, p. 2.

⁶⁹Ibid.

⁷⁰Tennessee Society of Certified Public Accountants, Report of Ad Hoc Committee on Continuing Education, August 21, 1972, p. 1.

⁷¹Ibid.

At the annual meeting of the TSCPA in June 1971 . . . a questionnaire was circulated, and 175 persons responded at that time. The basic question was, "Do you agree that the profession should now adopt a requirement for continuing education? Yes or No." There were 168 Yes and 7 No answers. Later questionnaires differed widely from this result. For example, questionnaires were mailed to members of the Board of Directors of the TSCPA in November 1971, and the results were 82% for and 18% against continuing education as a requirement for membership in the Texas Society, and 73% for and 27% against continuing education as a requirement for a state license.

The most complete and most recent questionnaire on this subject was mailed to all members of the TSCPA by the Long Range Planning Committee in January 1972. There were 1940 responses to the basic question, "Should continuing education be a requirement for membership in the Texas Society?" Fifty-seven percent were in favor and forty-three percent were against. A second question, "Should continuing education be a requirement for obtaining a state license to practice?" was opposed by 51.6% and favored by 48.4%.⁷²

Dr. Vander Wheele's Dissertation

In 1972, Dr. Ray Vander Wheele completed a doctoral dissertation at the University of Wisconsin entitled, An Evaluation of the Need for Continuing Education and Professional Development for Certified Public Accountants. During one phase of his research for the dissertation, Dr. Vander Wheele mailed a questionnaire, in March 1969,⁷³ to Wisconsin CPAs who were licensed to practice in Wisconsin during 1969.⁷⁴ Of the group surveyed, 58 percent⁷⁵ or a total of 882 CPAs⁷⁶ responded

⁷²Ad Hoc Committee on Required Continuing Education, Final Report, Texas Society of Certified Public Accountants, 1972, p. 5.

⁷³Ray Vander Wheele, "An Evaluation of the Need for Continuing Education and Professional Development for Certified Public Accountants" (doctoral Dissertation, University of Wisconsin, 1972), p. 243.

⁷⁴Ibid., p. 17.

⁷⁵Ibid.

⁷⁶Ibid., p. 52.

to his questionnaire.

One part of the questionnaire was designed to gather statistics on CPA participation in continuing education during 1968 and 1969.

The result was that of the 882 respondents to the questionnaire, 476 or 54 percent attended at least one day of professional development in the two years examined. Of the 476 who did attend, 57 percent were in public practice whereas only 43 percent were not.⁷⁷

Therefore, "if such participation were to be considered the only measure of that support, one could conclude that almost one-half of all C.P.A.'s do not support it [continuing education]."⁷⁸

From the group that had attended at least one day of continuing education during the two-year period, Dr. Vander Wheele tried "to determine C.P.A. reaction to those programs that were attended."⁷⁹

To do this, he asked the following five questions:

1. What is your opinion about having other staff personnel from your firm attend a program of the type you attended?
2. What is your opinion as to whether the program accomplished what was intended according to the stated program objectives?
3. What is your opinion about the teaching effectiveness of the program?
4. What is your opinion about your ability to use at least one idea generated at the program in terms of your performing better services for your client or your company?
5. What is your opinion about using at least one idea learned at this program which resulted in increased billings or earnings for your firm?⁸⁰

⁷⁷Ibid., p. 62.

⁷⁸Ibid., p. 83.

⁷⁹Ibid.

⁸⁰Ibid., p. 84.

Responses to all five questions were extremely favorable. The favorable responses ranged from 75 percent favorable⁸¹ for question number five to 93 percent favorable⁸² for question number four. Quite obviously, most of those CPAs who attended continuing education courses were satisfied with the courses and felt that the courses had been beneficial, even to the point of saying that they "could actually point to a given professional development program as a causal factor in increasing their firm's earnings."⁸³

Next, Dr. Vander Wheele tried to determine the willingness of the CPAs to attend future professional development programs. He asked them: "What is the likelihood of your attending a professional development program in 1970."⁸⁴

Over 75 percent of the respondents said it was very likely or at least possible that they would attend such a program in 1970, while only 20.4 percent said it was very unlikely that they would do so.⁸⁵

Then:

In still another probe of the extent of support, the questionnaire asked the C.P.A.'s this question: "If you were to attend future programs, about how many days each year would you like to attend programs of any type?"⁸⁶

⁸¹Ibid., p. 87.

⁸²Ibid., p. 86.

⁸³Ibid., p. 87.

⁸⁴Ibid.

⁸⁵Ibid.

⁸⁶Ibid., p. 89.

Because of the way the question was worded, only those CPAs who wanted to attend professional development courses responded to the question. Of the 763 respondents, "the weighted average was 4.2 days"⁸⁷ of professional development each year. In fact, "well over 50 percent of all C.P.A.'s favored at least four days of professional development each year."⁸⁸

Finally, Dr. Vander Wheelé attempted to obtain the opinion of the CPAs as to whether "the Legislature should pass a law requiring a C.P.A. to attend professional development programs each year as a condition to retaining his license to practice."⁸⁹ Since the CPAs had responded so favorably to the previous questions, one might have expected them to respond similarly to this question. However, that was not the case. Only 180 of 861 respondents to this question strongly agreed or agreed that such a law should be passed.⁹⁰

In summary then, Dr. Vander Wheelé found strong support for continuing education among Wisconsin CPAs. However, the CPAs did not support the passage of a law to make such continuing education mandatory. Dr. Vander Wheelé did not attempt to determine the reasons for the lack of support for a formal CCE requirement. Perhaps the CPAs did not believe a law was needed. Perhaps they were afraid of the type of law that was likely to be passed by the Wisconsin Legislature. Then, perhaps they were afraid that a law would be

⁸⁷Ibid.

⁸⁸Ibid.

⁸⁹Ibid., p. 90.

⁹⁰Ibid., p. 91.

too difficult to change if it didn't work out as planned. Maybe the CPAs felt that the requirement should be imposed at some other level, such as federal law, State Board regulation, Code of Ethics requirement, AICPA membership requirement, or Wisconsin CPA Society membership requirement.

Whether the CPAs agreed with the concept of CCE or not in Wisconsin, it appears that CCE is needed in that state. In the two-year period studied by Dr. Vander Wheele, only about 54 percent of the CPAs had participated in any formal professional development programs. That leaves another 46 percent that had not participated at all in the two-year period. One can be nearly certain that those CPAs who perform substandard work were part of the 46 percent that did not attend any continuing education programs. If substandard work is to be reduced or eliminated, it appears that some form of compulsory requirement must be passed to force all CPAs to continue their education.

Other Studies

In addition to the studies already presented, there are additional studies that have been made by prominent scholars. Two of those studies are briefly described below.

Dr. Ray Vander Wheele. In Dr. Vander Wheele's research for his dissertation which was completed in 1972, results of a 1970 questionnaire indicated that only 21 percent of the respondents agreed while 64 percent of them disagreed with the concept of compulsory continuing education.⁹¹ In 1972, Dr. Vander Wheele

⁹¹Ibid.

found that 49 percent of the respondents agreed and only 37 percent of them disagreed ⁹² with the statement that: "The legislature should pass a law requiring a C.P.A. to attend professional development programs each year as a condition to retaining his registration to practice."⁹³

Dr. Vincent C. Brenner and Dr. Robert H. Strawser. In 1971, Drs. Brenner and Strawser sent a mail questionnaire "to all of the CPA certificate holders residing in Iowa . . . , a total of 339 Iowa CPAs"⁹⁴ and to a randomly selected "national sample of 1,000 CPAs . . ."⁹⁵ "Responses were received from 190 Iowa CPAs and 379 of the national sample giving response rates of 56.0 percent and 37.9 percent, respectively."⁹⁶

The accountants surveyed were asked if they felt that the certified public accountant should be required to demonstrate that he is continuing his professional education. Almost two-thirds of the national respondents (249 or 65.7 percent) and 167 Iowa CPAs (88.9 percent) reported that they were in favor of mandatory continuing education for CPAs.⁹⁷

Next:

⁹²Ray Vander Wheele, Extent of Agreement on Whether the State Legislature Should Pass a Compulsory Professional Development Law, (Exhibit II) June 17 - 21, 1973.

⁹³Ibid.

⁹⁴Vicent C. Brenner and Robert H. Strawser, "Some Observations on Required Continuing Education," The CPA Journal, XLII, No. 1 (January 1972), p. 470.

⁹⁵Ibid.

⁹⁶Ibid.

⁹⁷Ibid.

The accountants surveyed were . . . asked if some type of continuing education should be a condition precedent to the reregistration, renewal of permit to practice or other validation of a CPA's designation. A majority of the national respondents (201 or 53.0 percent) and 161 Iowa CPAs (84.2 percent) reported that they felt that such a requirement should be a condition precedent to validation for the CPA.⁹⁸

As can be seen from the results of the studies presented above, in most states the majority of CPAs support the concept of CCE. Even in those states where earlier studies did not indicate majority CPA support for CCE, later studies showed that the level of support for CCE had increased.

Need in Louisiana

As demonstrated in the previous sections, there is a need for CCE for CPAs. This section will attempt to show that there is also a similar need for CCE for CPAs in the State of Louisiana.

Louisiana's Voluntary Program

On March 25, 1974, the Board of Directors of the Society of Louisiana Certified Public Accountants (SLCPA) "adopted the report and approved the recommendations of the Continuing Education Committee relative to a voluntary program for our members."⁹⁹ The basic requirement for the voluntary program is as follows:

Each member of the Society of Louisiana Certified Public Accountants is to voluntarily complete hours of acceptable continuing education as follows:

⁹⁸Ibid.

⁹⁹Letter from J. M. Fried, Jr., President of the Society of Louisiana Certified Public Accountants, to all members of the Society, May 6, 1974.

- (1) For the year ended December 31, 1974 - 20 hours.
 For the year ended December 31, 1975 - 30 hours.
 For the year ended December 31, 1976 and thereafter
 - 40 hours . . . ¹⁰⁰

Although the adopted program is relatively new, it has little chance of satisfying the need for continuing education in Louisiana. Prior to adoption of the program, participation in continuing education by Louisiana CPAs was relatively low. For example:

In the report covering professional program attendance for the 1972 PD year (April 1972 - March 1973), Louisiana ranked thirtieth with approximately 28% of the Society membership attending PD seminars. ¹⁰¹

This means that 62 percent of the Society membership did not participate in continuing education that year. In addition, not all Louisiana CPAs are members of the SLCPA. The non-members have even less opportunity to engage in continuing education activities.

Several other states have tried voluntary programs of continuing education. Some of them have already abandoned them for compulsory programs, such as the State of Florida. In others, the response has been disappointing. Montana, for instance, is one state that has tried a voluntary program. The statement below is what the Chairman of the Committee on Continuing Education of the Montana Society of Certified Public Accountants had to say about the results of the Montana voluntary program:

For the past year we have tried a voluntary continuing education program with the practicing accountants notifying the State Board of any courses

¹⁰⁰ Ibid.

¹⁰¹ James F. Pinner, "Goals of the Professional Development Committee," The Louisiana Certified Public Accountant, XXXII, No. 2 (Fall 1973) p. 58.

which they have attended during the year. However, the response to date has not been encouraging.¹⁰²

This is only one example of where a voluntary program has failed or is failing to perform as expected. However, in general, "statistics indicate that a large percentage of practitioners seldom, if ever, participate in voluntary programs . . ."¹⁰³ Louisiana has little reason to expect anything better, because, a recent study which was made by the author shows that Louisiana CPAs are not in favor of the SICPA's voluntary program.

CPA Opinion in Louisiana

The author mailed a questionnaire to nearly all members of the SICPA in October 1974. Question-by-question results of the survey will be presented in Chapter IV. The opinion of the Louisiana CPAs pertaining to the need for CCE will be presented here, however, to show that the CPAs do not support the voluntary program of the SICPA.

One question in the questionnaire asked the CPAs to indicate their degree of acceptance of the statement that: "Continuing education should be voluntary, with participation reported to the Louisiana CPA Society." Briefly, that is the current situation under the Society's voluntary program. Of the total respondents to the statement, 41.0 percent "strongly agreed" or "agreed" with the statement, while 48.9 percent "disagreed" or "strongly disagreed"

¹⁰²Letter from Henry O. Jordahl, Chairman, Committee on Continuing Education, Montana Society of Certified Public Accountants, August 3, 1973.

¹⁰³Norman H. Stavisky, "A Case for Open Mandatory Continuing Education," Massachusetts CPA Review, XLVII, No. 2 (March/April 1973), p. 8.

with the statement.

Not only do the Louisiana CPAs oppose the SLCPA's voluntary program, but, they also recognize the need for a compulsory continuing education program. Of the total respondents, 52.1 percent agreed that continuing education should be required by either federal law, Louisiana law, or State Board regulation. When the responses to other types of compulsory programs are combined, 65.4 percent of the respondents agreed that continuing education should be required by federal law, Louisiana law, State Board regulation, the Accounting Codes of Ethics, or for membership in the AICPA or the SLCPA.

Therefore, it appears that there is a need for CCE in Louisiana and that the voluntary program which was adopted by the SLCPA will not satisfy that need.

Summary

The CCE concept is gaining in popularity each year; yet, there are still those who oppose the concept. Supporters of CCE believe that CCE will help to eliminate substandard work in the profession. They point out that CPAs are licensed to protect the public and that with the "explosion of knowledge" presently being felt by the accounting profession, it is necessary that all CPAs take positive steps to continue their education in a formal way.

Opponents of CCE believe that the causes of substandard work are many and that all causes will not be eliminated by CCE. The CCE opponents do not disagree with the "explosion of knowledge" idea but they believe that a corresponding "explosion of communications"

will help CPAs to cope with the expanding body of knowledge. They point out that other professions, especially the legal and medical professions, have few CCE requirements and they question why such such requirements are needed by the CPA profession. Many CPAs who do not normally render opinions on statements ask why they should be required to participate in CCE. They feel that, possibly except in accounting and auditing, CPAs who do not voluntarily continue their education will lose clients because of substandard work and will eventually go out of business.

Statistics indicate that in most states, the majority of CPAs support the concept of CCE. On the other hand, statistics also indicate that when continuing education programs are not compulsory, a large percentage of CPAs do not voluntarily attend continuing education programs.

The SICPA has adopted a voluntary program of continuing education for its members. A recent survey by the author, however, shows that the Society's members do not support the voluntary program, but rather, they recognize a need for CCE.

CHAPTER III

PROGRESS TOWARD SATISFACTION OF NEED

We have noted in Chapter II that there is apparently a need to require CPAs to participate in continuing education. In Chapter III we will examine the progress which has been made by the CPA profession in several states in attempting to satisfy that need.

First, the chapter reviews the trend toward CPA acceptance of the CCE concept. Then, it reviews the various compulsory programs which have been adopted in several states and compares major features of the programs with similar features in other programs and with continuing education guidelines which have been suggested by the AICPA. Finally, the chapter reviews the voluntary programs which have been adopted and it is then summarized.

Trend Toward Acceptance

As recent as 1969, no state had any type of continuing education program for CPAs. In fact, until 1967, no one had ever publicly voiced the idea of requiring CPAs to continue their education beyond the passing of the CPA examination. Then, in 1967, Marvin Stone became the first person to voice this idea.

In 1969, the State of Iowa became the first state to follow-up on Marvin Stone's idea and make CCE a requirement which must be met

in order to renew a license to practice as a CPA. What is the status of the CCE concept now? Has it continued to gain acceptance or has it been largely ignored or rejected by CPAs in other states? These are questions which this chapter will now endeavor to answer.

Status of CCE Concept

In order to determine the status of the CCE concept in each of the states and to determine the trend, if any, toward acceptance of the CCE concept, the author conducted two surveys, about one year apart, in 1973 and 1974. In each of the surveys, the CPA societies of each state were asked for information regarding the current status of the CCE concept in their respective states at that time. Responses were received from 40 states in 1973 and from 46 states in 1974. A total of 36 states responded to both surveys. In Table 1 below is a summary of all responses to the surveys which were received. In Table 2 a comparison is made of the responses received in 1973 and in 1974 from those 36 states which responded in both years. In each of the tables the responses have been summarized into the following seven categories:

1. States in which legislation has been passed requiring CPAs to continue their education as a condition precedent to renewal of their license to practice.
2. States in which the State Board of Accountancy has passed regulations requiring CPAs to continue their education as a condition precedent to renewal of their license to practice but in which no specific legislation has been passed requiring the State Board to take such action.
3. States in which the state society of CPAs has made CCE a requirement for membership in the society.

TABLE 1
RESPONSES TO 1973 AND 1974
COMPULSORY CONTINUING EDUCATION SURVEYS

	1973	Survey	1974	Survey
	Number of States	% of Total Responses	Number of States	% of Total Responses
1. Programs required by legislation	6	15.0	13	28.3
2. Programs required by State Board regulation	2	5.0	1	2.2
3. Programs required for CPA Society membership	0	0.0	1	2.2
4. CCE concept was studied and rejected	4	10.0	5	10.9
5. CCE concept has not yet been studied	3	7.5	0	0.0
6. CCE concept has been studied but no conclusion has been reached	17	42.5	12	26.1
7. Voluntary continuing education programs	8	20.0	14	30.4
Totals	40	100.0	46	100.0

TABLE 2

COMPARISON OF 1973 AND 1974 RESPONSES TO
COMPULSORY CONTINUING EDUCATION SURVEYS
FROM STATES WHICH RESPONDED TO BOTH SURVEYS

	1973	Survey	1974	Survey
	Number of States	% of Total Responses	Number of States	% of Total Responses
1. Programs required by legislation	6	16.7	12	33.3
2. Programs required by State Board regulation	2	5.6	0	0.0
3. Programs required for CPA Society membership	0	0.0	1	2.8
4. CCE concept was studied and rejected	1	2.8	2	5.6
5. CCE concept has not yet been studied	2	5.6	0	0.0
6. CCE concept has been studied but no conclusion has been reached	17	47.2	10	27.8
7. Voluntary continuing education programs	8	22.2	11	30.6
Totals	36	100.0	36	100.0

4. States which have studied and rejected the CCE concept.
5. States which had not yet studied the CCE concept at the time of their responses to the surveys.
6. States which had studied the CCE concept but had not yet concluded about it at the time of their responses to the surveys.
7. States in which the state CPA society had adopted a voluntary continuing education program for their members.

As can be seen from the survey responses, the CCE idea has caught on in many states and is growing rapidly. By the end of 1974, over one-half (29) of the states had adopted some type of continuing education program. About half of the programs (15) are compulsory, either as a condition precedent for renewal of the CPAs license to practice or as a condition for society membership.

What is really astonishing, however, is the speed at which states are passing legislation making CCE mandatory for CPAs. In the one-year period which elapsed between the two surveys, the number of states with such laws increased 100 percent, from 6 to 12, among the respondents to both surveys. When all types of mandatory CCE programs are compared, the first three categories in the tables, the number of states with such mandatory programs increased 62.5 percent, from 8 to 13, among the respondents to both surveys. Also, at least two additional states had adopted mandatory continuing education programs by 1974. Since those two states had not responded to the initial survey, it was not possible to determine if their CCE laws and regulations were passed before or during 1974.

Summary of Trend

As the results of the surveys show, the acceptance of the continuing education concept has been, and still is, quite rapid. Only five years have elapsed from the adoption of the first continuing education program by the State of Iowa in 1969, to the time of the more recent survey in 1974, yet, in those five years, nearly 60 percent of the states have adopted some form of continuing education program for CPAs. The continuing education concept continues to gain acceptance each year. In fact, the 62 percent increase, in only one year, in the number of states which have passed laws or regulations making continuing education compulsory for CPAs is quite astonishing and obviously shows that before much longer nearly all states will have made continuing education compulsory for CPAs.

Review of Continuing Education Programs

As we have seen, the concept of continuing education for CPAs is gaining rapid acceptance. The most important factor which provided the impetus for this movement toward compulsory continuing education for CPAs was the 1971 resolution of the Council of the AICPA which recommended that each of the several states:

Institute a requirement, by legislation or regulation as may be appropriate, that certified public accountants demonstrate that they are continuing their professional education as a condition precedent to the reregistration, renewal of permit to practice, or other validation of a CPA's designation.¹

¹Elmer G. Beamer, "Continuing Education--A Professional Requirement," The Journal of Accountancy, CXXXIII, No. 1 (January 1972), p. 35.

Attached to the 1971 resolution of the Council was a set of guidelines for implementing the resolution, which, "in the interest of uniformity the Council urges each of the several states to adopt."² Now that 14 states have accepted the concept of compulsory continuing education for CPAs and have passed legislation or regulations making the concept mandatory, it seems appropriate to examine those 14 programs to determine how uniform their requirements are with one another and with the guidelines of the Council. In addition, since 14 more states have adopted voluntary programs of continuing education, it is also appropriate to examine those programs for similarities and differences among the programs and with the guidelines provided by the Council.

Review of Compulsory Programs

By the end of 1974, at least 14 states had passed laws or regulations making continuing education compulsory for CPAs. In this section of Chapter III, most³ of those CCE programs will be reviewed and compared against each other and against the suggested guidelines which were attached to the resolution passed by the Council of the AICPA. In addition, some comments will be made regarding possible weaknesses in certain of the guidelines and in certain of the programs which have been adopted by the 14 states.

²Ibid.

³Only 13 states have ongoing CCE programs. Although Iowa was the first state to pass a CCE resolution, its resolution was never enforced. Iowa has since passed CCE legislation which will take effect on July 1, 1975. Regulations to implement this legislation have not yet been adopted by the State Board so it is necessary to exclude Iowa's CCE program from the analysis.

The guidelines are divided into three major segments, the basic requirement, the programs which qualify, and controls and reporting. Each of those major segments are further divided into one or more major parts. Each part of the guidelines will be compared against similar parts of the CCE programs of the states in the following paragraphs to determine differences among the programs and with the guidelines. (A complete statement of the AICPA's resolution and the guidelines can be found in Appendices A and B).

The first part of the suggested basic requirement establishes three years as the period of time which should be used for measuring the extent of participation in continuing education. There is an inherent weakness in the guideline as it is stated because, under the guideline, it would be possible for a CPA to go nearly six years without participating in any continuing education. Certainly, this is not desirable. Such a situation could occur if a CPA chooses to meet the entire basic requirement at the beginning of the first measuring period and then chooses to wait until the end of the second measuring period to meet the basic requirement for that period. For example, if participation in continuing education is measured for the three-year period ended December 31, 1976 and then again for the three-year period ended December 31, 1979, a CPA could attend enough programs in January 1974 to meet the entire requirement for the period which ends on December 31, 1976. Then, if he waits until December 1979 to meet the requirement for the period which ends on December 31, 1979, he would have gone nearly six years without attending any continuing education courses. Obviously, the Council of the AICPA

did not intend to present a guideline which would allow a CPA to participate in no continuing education for nearly six years but, that is what it did.

Some states have apparently recognized this weakness in the guidelines and have attempted to prevent such a situation from happening. The State of Nevada, for example, requires that a minimum of 24 hours of continuing education be met each calendar year even though its total requirement is a minimum of 80 hours in a two-year period. The State of Florida has taken another approach which could tend to serve the same purpose. In Florida, the basic requirement is 120 hours in a three-year period, however, if a CPA participates in at least 30 hours of continuing education in each of the three years, he is required to participate in only 90 hours of continuing education during the period. Therefore, a CPA could choose to meet the 120-hour requirement at only one time during each period, but there is an incentive offered to encourage him to spread his participation throughout the entire period.

Another way that states have tended to avoid the above problem is by measuring participation in one-year or two-year periods rather than in three-year periods. The States of Hawaii and Kansas measure continuing education annually. In Hawaii, however, a CPA can carry over to the next year a maximum of 40 hours of excess continuing education credit or can make up a deficit of a maximum of 40 hours in the next year in addition to meeting the next year's requirement. In effect, this requirement is quite similar to a two-year requirement.

Three states, California, Nevada, and South Carolina measure continuing education in two-year periods while the remaining eight states follow the AICPA guideline and measure continuing education in three-year periods.

The AICPA's suggested basic requirement goes on to recommend that the appropriate amount of continuing education which should be required is 120 hours or 15 days in a three-year period. Only the State of Nebraska uses just days to measure CCE participation, while the states of North Dakota and Washington use either hours or days. The other states measure participation in hours only.

The number of hours (or days) which is required is not uniform in all states.⁴ Most states require an average of 40 hours or five days per year as suggested by the AICPA guideline, often after an initial start-up period. The States of Alabama and South Dakota, however, require an average of 32 hours per year and the State of South Carolina requires an average of only 15 to 20 hours per year. As already mentioned, Florida requires an average of 30 to 40 hours per year depending upon the number of hours taken each year.

Start-up requirements also differ among the states. Most states require the entire basic requirement to be met during the first measurement period, but, the States of California, Colorado, Kansas, and Ohio had reduced requirements during their initial period. In its initial period, California required only 60 hours instead of 80 hours; Colorado required 30 hours the first year, 70 hours the

⁴Since all states do not measure participation in three-year periods, it is necessary to use the average required per year in comparing the basic requirements of the states and the AICPA.

first two years, and 120 hours the first three years instead of simply 120 hours in the three-year period; Kansas required only 24 hours the first year and 32 hours the second instead of 40 hours per year; and Ohio divided the CPAs into three groups and had different start-up requirements for each group.

Parenthetically, the AICPA guideline describes a one-day program as being equal to eight hours. The apparent reason for this description was to provide guidance to the states for converting from hours to days if they chose to use days to measure continuing education participation. Thus, two four-hour programs, for example, would be equal to one-day's participation.

Apparently, some states have attached a different use to the concept of a "one-day program." In California, "a one day program qualifying for 8 hours of credit is any program the timing of which requires participants to be absent from their work for a normal working day."⁵ Thus, CPAs would not have to attend eight hours of continuing education as long as the program required them to miss a full day's work. In Hawaii, Ohio, and South Dakota, a one-day program for which eight hours of continuing education credit is given is a program which is at least six hours long and is contained entirely in one day. In Florida, "a one-day program will be granted eight hours credit if the total lapsed time is at least eight hours (for example 9:00 A.M. to 5:00 P.M.) and credit time is at least

⁵State of California, Department of Consumer Affairs, State Board of Accountancy Bulletin, Vol. XIII, No. 1 (Spring 1973), p. 3.

400 minutes,"⁶ while in Washington, "a one day course will constitute eight hours of credit."⁷ The remaining seven states make no mention of a one-day program in their regulations.

The AICPA guideline goes on to suggest that measurement be in full hours and that 50-minutes be equal to one hour. While all states do not make specific mention of such measurement techniques in their regulations, it is quite possible that all follow the technique when measuring continuing education participation.

Next, the AICPA guideline suggests that only class time be counted for continuing education credit and that preparation time should not be counted. Most states have a similar requirement in their regulations and the remaining states probably follow the same procedure. Some states make an exception to that rule, however, when measuring the amount of credit to allow a lecturer or discussion leader. In California and Nevada, for example, a lecturer or discussion leader gets credit for triple the number of class hours while in Alabama, Florida, and South Dakota, he gets credit for double the number of class hours to allow credit for preparation time.

The AICPA guideline suggests that service as a lecturer or discussion leader should be counted only if it contributes to the leader's professional competence. All states but Nebraska have a similar statement in their regulations. The amount of credit which

⁶ State of Florida, State Board of Accountancy, The Accountancy Law and Rules Relating to the Practice of Public Accounting, Sec. 21A-13.03(4)(b).

⁷ State of Washington, State Board of Accountancy, Continuing Education Rules, Adopted September 10, 1973, Sec. II.A.1.

can be earned as a lecturer or discussion leader differs in several states, however. As already noted, some states give double or triple credit for such service. In Ohio, the amount of credit for such service is determined by the State Board and in California, Colorado, Hawaii, and Kansas, the total amount of credit for such service is limited to 50 percent of the total requirement. All other states give a lecturer or discussion leader equal credit to that given to a participant in the program.

The second part of the AICPA guidelines' basic requirement suggests that the effective date of the requirement should be three years after adoption. There is an inherent weakness in that idea because all states will not adopt the requirement at the same time. Thus, if this guideline were followed, there would not be uniformity among the states as requested by the AICPA resolution. This lack of uniformity in effective date causes a problem to the CPAs who are licensed in more than one state and must meet CCE requirements in more than one state. Because the reporting period of each state differs, the CPA's report of participation in continuing education would probably be different in each state because of timing differences. This seems likely to cause unnecessary confusion. This confusion could be avoided by saying, for example, that the effective dates should be December 31, 1974, December 31, 1977, December 31, 1980, etc. and then allowing a state that started up within one of the periods to reduce the requirement for that period by the same proportion as that part of the period that has expired when the program is passed. Thus, if a program is passed on October 1, 1975, for example, only

three fourths of the basic requirement would have to be met for the period which ends on December 31, 1977.

As would be expected, the effective dates of the programs of all states are not the same. Six programs are effective on December 31; three on June 30; two on July 1; one on October 1; and one on November 1. Also, some programs became effective about one year after adoption; others, two years after adoption; and others, three years after adoption. This lack of uniformity is unnecessary and probably could have been avoided if the AICPA guideline had been more clearly thought out.

The last part of the AICPA guidelines' basic requirement suggests that the State Board of Accountancy should have authority to make exceptions for various reasons such as health, military service, etc. All states give the State Board this authority. However, the reasons for which exceptions can be granted differ in some states. For example, only the State of Alabama specifically lists age as a possible reason for granting an exception, if the applicant is at least 65 years old and has at least 10 years of accounting service.

In all states, CPAs who are not engaged in public accounting service are excluded from the CCE requirements, either by specific exclusion in the statement of those to whom the regulations apply or by allowing exceptions to be granted to CPAs who are not performing any public accounting service. This exclusion is somewhat surprising because nearly all continuing education surveys which have been made, including that of the author, show that the majority of CPAs believe

that all CPAs should be required to participate in CCE and that no exception should be granted to those CPAs who are not engaging in public practice at a particular point in time. The apparent reason why the exclusion is allowed is to reduce opposition from those CPAs who are not engaging in public practice because as a group, they are normally strongly opposed to CCE applying to CPAs, who like themselves, are not engaging in public practice.

The second major segment of the AICPA's suggested guidelines pertains to the "programs which qualify" for credit and the amount of credit which should be allowed for each type of program. All 13 states follow the suggested guidelines pertaining to the programs which qualify except for informal self-study, published books and articles, and service as a lecturer or discussion leader. The guidelines make no mention of allowing credit for the first two types of study mentioned above. Three states, Alabama, Nebraska, and South Dakota allow credit to be granted for informal self-study. In Alabama and South Dakota, an applicant must submit a synopsis of the material studied and he can receive credit of up to one hour per synopsis. In Nebraska, the rules do not specifically mention what type of evidence which must be submitted for self-study credit but the amount of credit for such study is to be determined by the State Board.

At least five states allow credit for published books and articles on a self-declaratory basis with credit to be determined by the State Board. In Florida, such credit is limited to 30 hours in each three-year measuring period, while the states of California,

Colorado, South Dakota, and Washington mention no such limitation in their regulations.

As has been previously mentioned, all states allow credit for service as a lecturer or discussion leader and some states allow double or triple credit for such service. Four states limit credit for such service to 50 percent of the basic requirement while the other states require no such limitation.

The third and last major segment of the AICPA's suggested guidelines pertains to "controls and reporting." In this segment the guidelines state that:

The candidate should provide a signed statement of the continuing education in which he has participated showing:

1. Sponsoring organization,
2. Location of course,
3. Title and/or description of content.
4. Dates attended,
5. Hours claimed.⁸

All states require similar information. In addition, the states of California, Colorado, Hawaii, and Washington require the name of the principal instructor and the states of Alabama and South Dakota require a synopsis of all self-study claimed for credit.

All states require CPAs to provide a signed statement of continuing education participation which they are claiming for credit. While most states make no mention of the penalty for a false statement, in California, Ohio, and Washington, the penalty for such false statement is the penalty for perjury.

As the foregoing discussion has indicated, there is much diversity among the states in regards to CCE. While the states

⁸Beamer, loc. cit.

which have adopted compulsory continuing education programs have followed the AICPA guidelines in general, they do differ from the guidelines and from each other in several important ways. The following section of this chapter will review some of the voluntary programs which have been adopted in order to determine if any significant features not found in the compulsory programs are included in one or more of the voluntary programs.

Review of Voluntary Programs

By the end of 1974, at least 14 states had adopted voluntary programs of continuing education. In general, the voluntary programs are usually less detailed and tend to more nearly follow the AICPA's suggested guidelines than the compulsory programs. The major difference between compulsory and voluntary programs of continuing education is that the voluntary programs carry no penalty for CPAs who fail to comply with their requirements while failure to comply with the provisions of the compulsory programs usually results in suspension or revocation of the CPA's license to practice public accounting. Another difference is that the voluntary programs are usually programs of the CPA societies and not programs of state legislatures or State Boards of Accountancy.

This section will briefly review the voluntary programs individually and will point out unique features found in some of the voluntary programs. Features which are similar to the AICPA's suggested guideline or to the compulsory programs will be excluded from the discussion in the interest of brevity.

Arizona. Arizona's voluntary program is quite similar to the AICPA's suggested guidelines. One unique feature of Arizona's program is that it specifically states that the following is allowed for continuing education credit:

- 1.5 Service on the following Senior Committees of the American Institute of Certified Public Accountants (hour for hour for formal committee meetings).
 - 1.5.1 Accounting Principles Board and successors
 - 1.5.2 Auditing Procedure
 - 1.5.3 Federal Taxation Division Executive Committee
 - 1.5.4 Management Advisory Services Executive Committee⁹

In addition, the program lists no minimum number of hours of continuing education which should be met, such as 120 hours in a three-year period.

Connecticut. Connecticut's voluntary program also follows the AICPA's guidelines very closely. The one unique feature of this program is that it specifically states that business, committee, or dinner meetings will not qualify for continuing education credit. This is unusual because such meetings usually qualify if the program, excluding the time for the other activities, is at least one hour long.

Louisiana. Louisiana's voluntary program has one unique feature in that it requires at least eight hours of the minimum number of hours to be in educational programs other than in formal organized in-firm educational programs, including tape presentations.

Maine. Maine's voluntary program was not available for review.

Mississippi. Mississippi's voluntary program is very brief and does not go into as much detail as the AICPA's guidelines. One unique

⁹Arizona Society of Certified Public Accountants, Continuing Education Guidelines, issued September 1, 1972, p. 1.

feature of Mississippi's program is that a minimum of three days of acceptable continuing education should be met each year out of the total requirement of 15 days in a three-year period.

New Mexico. New Mexico's voluntary program is identical to the AICPA's guidelines.

New York. New York has not adopted a voluntary program similar to the AICPA guidelines. Instead, it is trying to "voluntarily" commit more funds to continuing education, encourage the academic community "to induce a professional attitude in the students who will become CPAs,"¹⁰ and other such actions, possibly including quality review of CPA work.

North Carolina. North Carolina's voluntary program has a slow start-up period, starting with 16 hours in 1975 and increasing by eight hours per year until it will reach 40 hours in 1978.

Oklahoma. Oklahoma's voluntary program of continuing education is identical to the AICPA's guidelines.

Pennsylvania. Pennsylvania's voluntary program is nearly identical to the AICPA's guidelines. One unique feature is the requirement that "at least 8 hours of study covering current developments in each of the three basic areas of knowledge [accounting, auditing, and taxation] should be completed every two years."¹¹

¹⁰The New York State Society of Certified Public Accountants, Report of Committee on Mandatory Continuing Education, (April 16, 1973), p. 8.

¹¹Pennsylvania Institute of Certified Public Accountants, Guidelines for the Voluntary Program of Continuing Professional Education for Members, (Effective May 7, 1974), p. 1.

Tennessee. Tennessee's voluntary program is quite similar to the AICPA's guidelines after a start-up period which eventually reaches 120 hours in the three-year period ended December 31, 1979. One unique feature of Tennessee's program is that, "information relating to compliance with this program by members and firms shall be published as authorized by Council."¹² No other program, compulsory or voluntary, has such a feature.

Texas. The Texas voluntary program is nearly identical to the AICPA's guidelines after an initial start-up period of 24 hours in the year ended May 31, 1973; 32 hours for the year ended May 31, 1974; and 40 hours for the year ended May 31, 1975 and thereafter.

Wisconsin. The Wisconsin voluntary program is nearly identical to the AICPA's guidelines.

Summary

Chapter III has shown that there is a significant trend toward acceptance of the CCE concept and that in the most recent year the trend has accelerated to the point where now, at least 29 states have some form of compulsory or voluntary continuing education program for CPAs.

A review of the compulsory programs revealed that there are major differences in the compulsory programs between each other and also between those programs and the AICPA's suggested guidelines. A review of the voluntary programs, on the other hand, revealed only a few unique features which differed with the AICPA's guidelines.

¹² Tennessee Society of Certified Public Accountants, Continuing Education Program, August 19, 1974, p. 1.

In general, it has been demonstrated that although the trend is toward acceptance of the CCE concept, there is still much diversity of opinion in the various states regarding the correct content for CCE programs. Because of this diversity of opinion, the author saw a need to survey the members of the Society of Louisiana Certified Public Accountants to determine their opinion about what is the proper content for a CCE program which is designed to serve their needs.

Chapter IV, which follows, describes the survey which was performed and the results which were obtained. Then, Chapter V constructs a model program of CCE for Louisiana CPAs which is designed to satisfy their needs and desires regarding continuing education.

CHAPTER IV

CPA OPINIONS IN LOUISIANA

We have seen in Chapter II that there are strong arguments in favor of CPAs being required to continue their education beyond the passing of the CPA examination and that a majority of CPAs in several states support the concept of compulsory continuing education for CPAs. Then, in Chapter III, we have noted that several states have attempted to satisfy the need of CPAs to continue their education by passing legislation requiring them to attend a certain number of hours or days or continuing education periodically. We have examined the CCE programs in those states in detail and have noted similarities and differences among the programs and with the continuing education guidelines developed by the AICPA. Now, we will examine the views of CPAs in Louisiana regarding CCE and we will try to determine what features the Louisiana CPAs favor for inclusion in a program of CCE which is designed specifically for them.

Questionnaire Methodology

In order to determine if a majority of Louisiana CPAs support the concept of compulsory continuing education and to determine what features the CPAs would favor for inclusion in a CCE program which was designed for them, it was necessary to contact a large number of the CPAs. Because personal or phone contacts are both time consuming

and expensive, the author decided to use a mail questionnaire for that purpose.

Construction of the Questionnaire

The questionnaire which was used by the author (see Appendix E) in obtaining the opinions of Louisiana CPAs regarding CCE was developed by the author from information which was gathered from several sources. First, the author made a detailed review of the existing literature regarding continuing education. Then, he contacted the AICPA and obtained a copy of a continuing education questionnaire which had been developed and used by the AICPA. Next, the author obtained from the CPA societies in several states copies of the compulsory and voluntary continuing education programs which were in existence in the states at that time and also copies of questionnaires which some states had developed and used during their studies of the CCE concept.

From the sources described above, and also from his own ideas, and those of certain of his colleagues, the author developed a detailed continuing education questionnaire. The questionnaire was designed in two parts. Part I of the questionnaire was used to gather biographical data about the respondents. Part II was used to determine the opinions of the respondents regarding the need for a CCE program in Louisiana and to obtain the opinions of the respondents regarding certain selected features which could be included in a CCE program.

Selection of the Sample

The author decided that all Louisiana CPAs should be afforded an opportunity to voice their opinions regarding CCE. A problem developed

when the author attempted to implement this decision, however. The Executive Secretary of the State Board of Certified Public Accountants of Louisiana informed the author that the Board has not published a roster of Louisiana CPAs for many years and has no plans to do so in the foreseeable future.¹ Therefore, no complete listing of Louisiana CPAs was available. Because of this, it was necessary to use the best available roster, the January 1, 1974, Directory of Members of the Society of Louisiana Certified Public Accountants (SLCPA).

While the Directory of Members contains the names of most Louisiana CPAs, it obviously excluded any CPAs who are licensed in the State of Louisiana but have not joined the SLCPA. Next, it excludes any Louisiana CPAs who received their original certification after the Directory went to press, and finally, it excludes any CPAs who received reciprocity in Louisiana during 1974.

While the Directory of Members excludes certain classes of CPAs, it does include most Louisiana CPAs. Therefore, the author decided to mail a questionnaire to all but eight of the CPAs listed in the Directory. Those eight CPAs were excluded from the sample because their current residence was listed as a foreign country and it was the opinion of the author that the sample should be limited to U.S. residents, especially since the non-U.S. residents were so few in number and could have very little influence on the final results.

Response to the Survey

A total of 1657 questionnaires were mailed to members of the

¹Letter from Lydia F. Parek, Executive Secretary, State Board of Certified Public Accountants of Louisiana, August 29, 1974.

SLCPA on October 31, 1974. Thirteen of the questionnaires were returned by the post office as undeliverable, therefore, the effective sample consisted of 1644 CPAs who received a copy of the questionnaire. Of the 1644 CPAs, 666 or 40.5 percent responded to the survey. Of the 666 responses, 79 were not usable, either because they arrived too late to be included in the analysis or because of certain defects in the way they were filled out by the respondents. The usable response rate, therefore, was 35.7 percent, 587 out of 1644.

Analysis of Questionnaire Responses

There were a maximum of 587 usable responses to each question; however, the number of usable responses to certain questions total less than 587 because certain respondents failed to answer all of the questions. A complete summary of the frequency of responses and percentage of responses, by categories, to each question can be found in Appendix F. In this section of Chapter IV, certain of the responses will be reviewed, analyzed, and discussed to determine the opinion of those CPAs who responded to the survey questionnaire.

Part I: General Information

Part I of the questionnaire was designed to gather general information about the respondents, their places of employment, and their previous participation in continuing education. Then, for each of the Part I questions, the respondents were grouped by categories, for example, the respondents to Question I.2 were grouped by their number of years of public accounting experience; zero to five years, six to 15 years, and over 15 years. The groupings for the remaining Part I questions can be found in Appendix F.

Six of the Part I questions were then selected as categories in which certain of the Part II statements should be analyzed in detail. The Part I questions selected for this purpose and the categories in which the responses to those questions were summarized are:

- I.1 Approximately how many years have you been a CPA?
 - a. 0 to 5 years
 - b. 6 to 15 years
 - c. over 15 years
- I.2 Approximately how many years of public accounting experience have you had?
 - a. 0 to 5 years
 - b. 6 to 15 years
 - c. over 15 years
- I.3 Are you currently a practicing CPA?
 - a. yes
 - b. no
- I.8 Is your primary employment with a CPA firm?
 - a. yes
 - b. no
- I.9 Is your firm a "Big-Eight" firm? a national non-big-eight firm? a local firm?
 - a. national firm
 - b. local firm
- I.12 Does your firm conduct professional development programs for its members?
 - a. yes
 - b. no

Part II: Continuing Education

Part II of the questionnaire presented statements about continuing education and asked the respondents to indicate the extent of their agreement or disagreement with each statement by using the following scale:

- 1 = Strongly agree with the statement
- 2 = Agree with the statement
- 3 = Undecided about the statement
- 4 = Disagree with the statement
- 5 = Strongly disagree with the statement

Responses to the statements were then tallied by frequency and percentage of response by selected categories (see Appendix F). Responses of "1" and "2" were then considered together to indicate "agreement" with the statement and responses of "4" and "5" were considered together to indicate "disagreement" with the statement presented. When the respondents to a particular statement indicated at least twice as much agreement as disagreement, or vice versa, the opinion about the statement was considered quite strong and no further analysis was made, except for a few selected statements that were considered important enough to warrant additional analysis.

When the responses to a particular statement did not indicate "strong agreement" or "strong disagreement" under the above criteria, the responses were sub-divided into the Part I categories for each of the six Part I questions selected. For example, the responses to the suggested continuing education definition, Statement II.1, were divided into the responses given by CPAs who had from zero to five years of public accounting experience, six to 15 years of public accounting experience, and over 15 years of public accounting experience (Question I.2). At this point, an hypothesis was formulated that the responses given to the statement being analyzed would be significantly different dependant upon the group of CPAs that made the response. For example, the hypothesis would anticipate a significantly different response to the continuing education definition if the respondents had zero to five years of public accounting experience than if they had

six to 15 years of public accounting experience or over 15 years of public accounting experience.

To test the hypothesis, the chi-square test was used. Results of the chi-square tests were interpreted by the following decision rule:

If the probable chi-square is less than .05, the hypothesis is true; if the probable chi-square is .05 or more, the hypothesis is false.

A summary of all chi-square tests conducted on the responses to selected Part II statements and the results of the tests can be found in Table 3. Results of the chi-square tests which proved the hypothesis to be true can be found in more detail in Tables 4 through 28.

The first statement about continuing education to which the CPAs were asked to express an opinion was the definition of continuing education which had been developed by the AICPA's Ad Hoc Committee on Continuing Education. The respondents expressed strong agreement with the definition (82% for; 14% against). Most of those that disagreed with the definition took issue with only the word "formal" in the definition. They believe that certain types of informal study should also be considered continuing education. Those CPAs that expressed this opinion are in a definite minority, however. Statement II.16, which will be discussed later, tested the opinion about informal self-study being acceptable for meeting continuing education requirements and less than 28 percent of the respondents agreed that it should be acceptable.

Although strong agreement with the definition was indicated by the responses, the definition was considered important enough to warrant further analysis by groups. Therefore, the responses to the

definition were sub-divided into the Part I categories that had been selected and were then tested for significant differences in responses among the categories of respondents by use of the chi-square test. Only one of the six chi-square tests showed a significant difference in response (see Table 4). Over 85 percent of the CPAs engaged in public practice agreed with the definition while only 78 percent of those who are not engaged in public practice agreed with it. Although this difference is statistically significant at the .05 level, it does not reveal any strong opposition to the definition since both groups of respondents were in strong agreement with the definition.

The next statement, Statement II.2, asked the respondents to express their opinion about continuing education being made compulsory for all CPAs at some level, from federal law to SLCPA membership requirement, and also to express their opinion about the SLCPA's voluntary program of continuing education and the situation which existed before the voluntary program was begun.

The CPAs expressed strong disagreement with the idea of requiring continuing education by either federal law (7% for; 90% against) or by Louisiana law (18% for; 75% against). The CPAs agreed, however, that continuing education should be required by State Board regulation (50% for; 38% against). They were more evenly divided in regards to the other three levels of compulsory continuing education which were considered. They opposed continuing education being made an Accounting Code of Ethics requirement (37% for; 40% against) and agreed that it should be made a requirement for membership in the AICPA (45% for; 44% against) and in the SLCPA (47% for; 42% against).

It is quite interesting to note that the CPAs opposed the

voluntary program of the SICPA which is currently in existence (41% for; 49% against) and strongly opposed leaving continuing education entirely up to the individual CPA, the situation which existed before the voluntary program was begun in 1974 (24% for; 67% against).

Since opposition to continuing education being required by federal law was so strong, no further analysis was considered necessary. Opposition was also very strong to the idea of continuing education being required by Louisiana law, but since the remainder of the questionnaire was based upon that assumption, further tests were considered necessary. The responses to the six tests conducted on the responses to Statement II.2b revealed only one significant difference in response among the groups tested, that at the .01 level (see Table 5). CPAs employed by national CPA firms were strongly opposed to continuing education being required by Louisiana law (29% for; 60% against) while those employed by local CPA firms were even more strongly opposed to the idea (14% for; 78% against). In general, all groups tested registered strong opposition to the idea of continuing education being required by Louisiana law.

While the CPAs registered agreement with the idea of continuing education being required by State Board regulation, the extent of agreement was not great enough to be considered "strong agreement" and thus it was necessary to analyze the responses in more detail by groups. Of the six tests conducted on the responses to Statement II.2c, only one showed any significant difference in the responses given to the statement, that at the .01 level (see Table 6). CPAs who are employed by national CPA firms strongly agreed with the idea of

continuing education being required by State Board regulation (69% for; 16% against) while those employed by local CPA firms agreed with the idea to a lesser extent (46% for; 42% against). In general, all of the groups of respondents agreed that continuing education should be required by State Board regulation.

In total, the CPAs registered only slight disagreement with the idea of making compulsory continuing education a requirement of the Accounting Codes of Ethics, so the responses were then analyzed by groups. Two of the tests conducted showed a significant difference in the responses of certain groups, both at the .01 level (see Table 7). First, it was found that CPAs employed with national CPA firms agreed with the idea of continuing education being made a Code of Ethics requirement (50% for; 29% against) while those employed by local CPA firms opposed that idea (31% for; 53% against). Then, it was found that those CPAs who are employed by firms that conduct professional development programs for their members favored the idea (45% for; 40% against) while those employed by firms that do not conduct professional development programs for their members opposed the idea (30% for; 56% against). Apparently the larger firms who conduct professional development programs for their members have been successful in instilling in the minds of their members the importance of continuing their education while the smaller firms have not been so successful.

It is not possible to determine from the data why CPAs of local firms do not support the idea of continuing education being made a Code of Ethics requirement, when they do support the idea of continuing education being required by State Board regulation. Perhaps they

believe that if it were specifically required by State Board regulation, it would be redundant to include it in the Code of Ethics also.

The AICPA assumed the leader's role in pushing for CCE, yet it has never made CCE a requirement for membership in the Institute because of a fear that such a requirement would result in a large loss of the Institute's membership. Apparently this reasoning is correct, at least for Louisiana members, because the respondents, of which over 91 percent are members of the AICPA (Question I.4), are undecided as to whether the AICPA should make CCE a membership requirement. When the responses were analyzed by groups, only one test showed a significant difference in response, that at the .01 level (see Table 8). Again the difference in response was dependant upon the type of CPA firm in which the respondent was employed. Those respondents employed with national CPA firms strongly favored making CCE a requirement for membership in the AICPA (63% for; 30% against) while those employed by local CPA firms opposed that idea (42% for; 46% against). From these results, it appears that the AICPA is wise in delaying any effort to make CCE a requirement for membership because of the large opposition to that idea, particularly among the CPAs who are employed by local firms. That opposition, of course, should diminish or disappear once enough states pass laws or regulations requiring CPAs to continue their education.

The results of Statement II.2f indicate that the SLCPA should also proceed cautiously with any effort to make CCE a requirement for membership in the Society, at least until CCE becomes required by Louisiana law, because nearly one-half of the respondents (42%) opposed CCE being made a requirement for membership in the SLCPA.

Although 47 percent of the respondents supported the idea of making continuing education a requirement for membership in the SLCPA, the danger of a large loss of membership would certainly be present if CCE were made a requirement for membership in the SLCPA. The responses to this statement were analyzed by groups, but none of the tests revealed a significant difference in the responses of any of the groups.

In total, the CPAs responded to six different levels at which CCE could be required, federal law, Louisiana law, State Board regulation, Code of Ethics requirement, AICPA membership requirement, and SLCPA membership requirement. Of the six levels which were considered, the respondents preferred CCE being required by State Board regulation. The reason why they favored CCE being required at that level could not be determined from the data which was available. There is a potential problem with requiring CCE by State Board regulation without a specific law which requires the Board to pass such regulations. Other states, especially the State of Iowa, which required CCE by State Board regulation without a specific law requiring such regulations to be passed, found that the opposition to the regulations finally forced them to go to their respective legislative bodies for a law requiring CCE because the State Board regulations were too hard to enforce unless they were backed up by law.

Only 50 percent of the respondents agreed that CCE should be required by State Board regulation, but, the total support for the CCE concept is much greater than that. Some respondents disagree with CCE being required by State Board regulation because they had agreed that it should be required at some other level. This can be seen when the responses of those who agreed with any of the six suggested

levels are combined, for example, when those who agreed that CCE should be required by federal law are combined with those who agreed that CCE should be required by Louisiana law and with those that agreed that it should be required by State Board regulation (Statements II.2a to II.2c), the amount of support increases (52% for; 47% against). Then, when those agreeing that CCE should be a Code of Ethics requirement are also considered (Statements II.2a to II.2d) the support increases further (59% for; 40% against). Finally, when all levels of compulsory continuing education are considered (Statements II.2a to II.2f), almost two-thirds of the CPAs are found to have agreed that CCE should be required at one of the levels considered (65% for; 35% against).

This support for CCE can again be seen in the responses to the next two statements, Statements II.2g and II.2h. Statement II.2g attempted to measure the extent of support for the voluntary continuing education program of the SLCPA which was begun in 1974 and Statement II.2h attempted to measure the opinion of the CPAs about the situation which existed until 1974, i.e., leaving continuing education entirely up to the individual CPAs.

The CPAs opposed the SLCPA's voluntary program (41% for; 49% against) and strongly opposed leaving continuing education entirely up to the individual CPAs (24% for; 67% against). Thus, some CPAs accept the voluntary program as being an improvement over no program at all but the majority of the CPAs believe that a compulsory program of continuing education is still needed in Louisiana.

CPAs employed by national CPA firms, again responded differently, at the .01 level, then those employed by local CPA firms (see Table 9). Those employed by national firms strongly opposed the voluntary program of the SLCPA (23% for; 67% against) while the CPAs who are employed by local firms slightly supported the voluntary program (47% for; 43% against).

Respondents who are currently engaged in public accounting practice responded significantly different to Statement II.2h than those who are not currently engaged in public practice (see Table 10). Also, respondents who are employed by firms which conduct professional development programs for their members responded significantly different to the statement than those who are employed by firms that do not conduct such programs. All groups of respondents, however, strongly disagreed with the statement that continuing education should be left entirely up to the individual CPA.

After having responded to Statements II.1 and II.2, the respondents were to put aside their opinions about whether CPAs should be required to engage in continuing education, and to assume while responding to the remaining statements that continuing education is required by Louisiana law. The remaining statements should have been responded to under that assumption.

In responding to Statement II.3, the CPAs registered strong support for the State Board being considered the proper authority to regulate continuing education (82% for; 10% against). This result was not surprising since the State Board is the authority that is charged by law with the responsibility to regulate the practice of accountancy in Louisiana. Also, since a majority of the respondents

are of the opinion that the State Board should pass regulations requiring CPAs to continue their education, it seems reasonable that they would also want the State Board to be the authority to enforce those regulations.

Respondents to Statement II.4 registered their opinion regarding the appropriate penalty for failure to meet the continuing education requirements in a specified period. The CPAs registered strong disagreement with the penalty being loss of all CPA rights and privileges (18% for; 69% against) and somewhat less disagreement with the penalty being loss of the right to practice (32% for; 53% against). The CPAs favored a penalty of loss of the right to express an opinion on statements (53% for; 33% against). This result is not surprising since it is the weakest of the three penalties suggested. Several of the respondents suggested that the penalty should be suspension until the requirements are met. These suggestions are consistent with the intent of Statements II.4 and II.5. Statement II.5 refers to the action that is necessary to be reinstated after having been penalized for failing to meet continuing education requirements. Thus, if reinstatement is possible, any penalty would be merely a suspension because it is not permanent. A few respondents suggested that the penalty should be monetary, some type of fine. This suggestion seems reasonable if the fine is set at a high enough level that the CPAs would not choose to pay the fine instead of meeting CCE requirements.

Since the CPAs registered such strong disagreement with the idea that the penalty for failure to meet CCE requirements should be loss of all CPA rights and privileges, no detail analysis of the responses to Statement II.4a was made. Although the CPAs also disagree with the

the idea that CPAs should lose the right to practice if they fail to meet CCE requirements, Statement II.4b, their disagreement with that idea was to a much lesser extent than their disagreement with the previous statement. Because the disagreement to Statement II.4b could not be considered "strong disagreement" the responses to the statement were analyzed by groups. Only one of the tests showed a significantly different response, at the .05 level, among the groups tested (see Table 11). The analysis by number of years that the respondents have been a CPA revealed that those respondents who have been a CPA from six to 15 years registered more support for the statement that the penalty for failing to meet CCE requirements should be loss of the right to practice, than the respondents who have been a CPA more years and fewer years. All three groups, however, opposed the statement.

The respondents agreed with Statement II.4c that a CPA should lose the right to express an opinion on statements if he fails to meet the CCE requirements in a specified period (53% for; 33% against). Responses to this statement were also analyzed by groups. Two of the chi-square tests showed a significant difference in the responses of certain groups, both at the .01 level (see Table 12). CPAs employed by national CPA firms showed stronger support for the statement (67% for; 23% against) than those employed by local CPA firms (46% for; 39% against). Both groups, however, supported the suggested penalty.

CPAs employed by firms that conduct professional development programs for their members strongly supported the suggested penalty (62% for; 25% against), but those CPAs employed by firms that do not conduct such programs for their members opposed the penalty (41% for;

46% against). Again we see the significant difference in attitudes to CCE which exists between CPAs dependant upon the type of firm with which they are employed.

Statement II.5 of the questionnaire attempted to determine what action should be required of a CPA, who has been penalized for failing to meet CCE requirements, to earn reinstatement to good standing in the CPA profession. Four possible actions were suggested. Again, as would be expected, the CPAs chose the easiest of the four suggested penalties. In this case, however, the choice was so clear that it was not necessary to analyze the responses to any of the four statements by groups.

The CPAs strongly agreed (82% for; 13% against) that for reinstatement, all that a CPA should be required to do is make up the continuing education that he was lacking. They strongly disagreed with requiring the CPA to make up more than the amount of continuing education then that which was lacking (15% for; 71% against). They also registered very strong disagreement with requiring a CPA to retake and pass the CPA exam (4% for; 93% against) and with requiring a CPA to take and pass a special exam designed for that purpose (18% for; 68% against).

While the penalty favored by the majority of CPAs for failure to meet CCE requirements (Statement II.4c) and the action favored for reinstatement after being so penalized (Statement II.5a) may be appropriate for a "first offender" and for certain classes of CPAs, the penalties do not seem strong enough by themselves to put enough pressure on all CPAs to ensure that they will meet the CCE requirements. In fact, the penalties which were favored would not even effect certain

CPAs, those who do not render opinions on statements, for example, tax specialists. It seems that stronger penalties are needed to apply sufficient pressure on all CPAs to meet the CCE requirements.

Statement II.6 suggested several reasons for which exceptions to the CCE requirements might be allowed and obtained the opinions of the respondents as to whether each of the exceptions should be allowed. The respondents disagreed with allowing an exception based solely upon age (37% for; 53% against). Three of the analyses by groups revealed significant differences in the responses of certain of the groups (see Table 13). All the differences were at the .01 level of significance.

As might be expected, much more support was found for an exception based on age among those respondents who have been a CPA over 15 years and also among those that have had over 15 years of public accounting experience. Those that have been a CPA for zero to five years strongly opposed an exception being allowed for age (25% for; 63% against). Those that have been a CPA from six to 15 years also opposed age as a reason for an exception (37% for; 53% against) while those who have been a CPA for over 15 years favored an exception being allowed for age (60% for; 36% against). Similar results were found when the number of years of public accounting experience was correlated with the responses to Statement II.6a. CPAs with zero to five years of public accounting experience are opposed to age as an exception to CCE requirements (31% for; 56% against). Those with six to 15 years of experience are also opposed (34% for; 58% against) but those with over 15 years of public accounting experience favor an exception being allowed for age.

A significant difference in the responses to the statement that age is an acceptable reason for granting exceptions to CCE requirements was also found when a comparison was made between the responses of CPAs who are employed by national CPA firms and those of CPAs who are employed by local CPA firms. Both groups opposed the idea but those employed by national firms registered stronger opposition (21% for; 71% against) than those employed by local firms (40% for; 50% against).

Next, the CPAs responded to the statement that an exception to CCE requirements should be allowed for retirement. As expected, the CPAs saw the wisdom in allowing exceptions for this reason and registered strong agreement with the statement (83% for; 12% against). Since the extent of agreement with the statement was so great, no analysis by groups was made.

Statement II.6c suggested that poor health might be a possible reason for allowing exceptions to CCE requirements. Again the CPAs strongly agreed with the statement (58% for; 23% against) and no analysis by groups was made.

The respondents also agreed that foreign residence is an acceptable reason for granting exceptions to CCE requirements (47% for; 37% against). Two significant differences in the group responses to this statement were found (see Table 14). In general, more support was found among the older groups and less support among the younger groups of respondents. None of the groups registered strong disagreement with the statement but those who have been a CPA from zero to five years disagreed slightly to foreign residence being considered an acceptable reason for granting an exception to CCE requirements (39% for; 40% against). Logically, it would seem that such exceptions

should be allowed because acceptable continuing education programs would not be easily found in most foreign countries.

The respondents strongly disagree with exceptions being granted for out-of-state residence (25% for; 65% against). Because of the extent of disagreement with the statement, no analysis by groups was made.

In total, the respondents opposed granting exceptions to CPAs who are not currently engaged in public practice (40% for; 46% against). Testing of the responses by groups, however, revealed several responses which differed significantly, all at the .01 level (see Table 15).

Those respondents who have been a CPA from zero to five years opposed granting an exception to CPAs who are not currently engaged in public practice (35% for; 48% against) and that idea was also opposed by those respondents who have been a CPA from six to 15 years (36% for; 48% against). It was favored, however, by those respondents who have been a CPA for over 15 years (58% for; 36% against).

As expected, respondents who are not currently in public practice agree that an exception should be allowed for that reason (52% for; 36% against). Respondents who are in public practice, however, disagree with exceptions being allowed for that reason (33% for; 51% against). CPAs whose primary employment is with a CPA firm oppose allowing exceptions to CPAs who are not currently in public practice (32% for; 52% against) while those whose primary employment is not with a CPA firm support exceptions for that reason (52% for; 36% against). One very interesting finding in the above analysis is the large number (75) of CPAs who are not currently in public practice and yet do not agree that an exception to CCE requirements should be allowed for that

reason. Apparently, those respondents recognize the value of CCE and are willing to have such requirements applied to themselves.

CPAs who are employed by national CPA firms were nearly evenly divided in their responses to whether an exception should be allowed to CPAs who are not currently engaged in public practice (45% for; 48% against) but CPAs who are employed by local CPA firms were strongly opposed to exceptions being allowed for that reason (27% for; 55% against).

The respondents to the next statement strongly agreed with allowing exceptions for extended military service (71% for; 18% against). They strongly disagreed, however, with allowing exceptions to practitioners who perform only administrative duties (19% for; 70% against), to those who practice only in tax areas (10% for; 84% against), to those who practice in management services only (10% for; 84% against), or to accounting educators (16% for; 78% against). Since each of these responses was to an extent that they could be considered "strong agreement" or "strong disagreement" no analysis of the responses to any of those statements was made by groups.

Statement II.7 was probably unnecessary because the respondents were opposed to allowing exceptions to CCE requirements to be granted for age. The respondents, however, strongly agreed that if such an exception were allowed, the minimum age for the exception should be 65 years old (64% for; 23% against).

The respondents to Statement II.8 agreed that the basic continuing education requirement should be 120 hours in a three-year period (44% for; 36% against). This requirement is one that was suggested by the AICPA in its guidelines which were attached to its

continuing education resolution (see Appendix B). Those respondents who disagreed with this statement suggested various amounts of continuing education which should be required. The weighted average number of hours per year that was suggested by all respondents to this statement was 34.0 hours.

The responses to Statement II.8 made by several groups differed significantly (see Table 16). Three tests showed a significant difference at the .05 level and one showed a significant difference at the .01 level. The first analysis by groups showed that CPAs who are currently engaged in public practice agreed with the suggested basic requirement (48% for; 33% against) while those who are not currently engaged in public practice disagreed with the suggested basic requirement (37% for; 41% against). The next test showed that respondents who are employed with a CPA firm agreed with the suggested basic requirement (49% for; 32% against) while those who are not employed with a CPA firm disagreed with it (37% for; 42% against). Then, it was found that CPAs who are employed with national CPA firms strongly agreed with the suggested basic requirement of 120 hours in a three-year period (63% for; 23% against) while CPAs employed with local CPA firms also agreed but to a lesser extent (43% for; 36% against). Finally, respondents who are employed by firms that conduct professional development programs for their members strongly agreed with the suggested basic requirement (60% for; 23% against) while those who are employed by CPA firms that do not conduct such programs opposed the suggested basic requirement (37% for; 43% against).

The difference of opinion regarding the suggested basic requirement seems to be closely related to the ease with which one can

meet the requirements. CPAs employed by firms that conduct professional development programs for their members, especially those who are employed with national CPA firms which traditionally place strong emphasis on professional development, strongly agree with the suggested basic requirement. Those CPAs who have fewer opportunities to engage in professional development, those who are not engaged in public practice, those who are not employed by CPA firms that conduct professional development programs, and those who are employed by local firms which usually place less emphasis on professional development, oppose the suggested basic requirement.

Statement II.9 suggested that 32 hours of continuing education should be the minimum number of hours required to be met in any one year. In total, the respondents disagreed with the suggested minimum (36% for; 44% against). Most of the respondents who disagreed with a minimum requirement of 32 hours of continuing education in any one year indicated the number of hours that they believe should be considered the minimum in any one year. The weighted average of all responses to the statement was 25.7 hours per year as a minimum number which should be met each year.

Detailed analysis of the responses to Statement II.9 by groups revealed two significant differences in the responses of the groups tested (see Table 17). The first significant difference, at the .05 level, was noted in the responses given by CPAs who are employed by national CPA firms as opposed to the responses given by those who are employed by local CPA firms. Those employed with national firms agreed with the suggested minimum of 32 hours per year (51% for; 37% against) while those who are employed with local firms disagreed with

the suggested minimum (34% for; 43% against). The other significant difference was noted in the responses of CPAs who are employed by firms that conduct professional development programs for their members as opposed to those employed by firms that do not conduct such programs. Those respondents who are employed by firms that conduct professional development programs for their members agreed with the suggested minimum (48% for; 33% against) while those respondents who are employed by firms that do not conduct professional development programs disagreed with the suggested minimum (29% for; 49% against).

The total responses to Statement II.10 showed that the respondents also disagreed with the statement that CPAs should be allowed to meet only 50 percent of the basic requirement in their area of specialization (40% for; 44% against). Those who disagreed with the suggested percentage indicated the percentage which they believed should be set as the maximum that can be in the area of specialization. The weighted average of all responses to Statement II.10 was 64.4 percent of the basic continuing education requirement which should be the maximum that is allowed to be met in the area of specialization of the individual CPAs.

Detailed analysis of the responses to Statement II.10 by groups did not reveal any significant difference in the responses of any of the groups tested.

Statement II.11 stated that CPAs should be required to meet at least 25 percent of the basic requirement in accounting and auditing areas. The respondents agreed with that statement (56% for; 31% against). Detailed analysis by groups revealed no significant difference in the responses of any of the groups tested. Those who disagreed with

the statement suggested a percentage of the basic requirement that they believed should be met in accounting and auditing areas. The weighted average of all responses to Statement II.11 was 23.0 percent of the basic requirement which should be in accounting and auditing areas.

One of the arguments against CCE which is often heard is that there is no objective way to measure whether CCE requirements do indeed raise the level of competence of the CPAs who are required to continue their education. Statement II.12 was designed to gather the opinion of the respondents about two possible methods which could be used to indicate if CCE requirements do indeed raise the level of knowledge of participants in continuing education. The responses to this suggestion were not surprising. The CPAs overwhelmingly opposed requiring CPAs to periodically take and pass the CPA examination (1% for; 97% against). They also registered strong disagreement with the suggestion that, in order to demonstrate that they have kept up, CPAs should be required to periodically take and pass a special exam which is prepared for that purpose (9% for; 83% against).

Another argument against CCE which is often heard is that certain CPAs do extensive self-study and keep up with the changes in the profession on that basis, and therefore, for those CPAs there is no need to force them to attend formal CCE programs. Statement II.13 was designed to gather the opinion of the CPAs about two possible requirements which could be used, in lieu of meeting formal CCE requirements, by those CPAs who believe that they do enough work on their own to keep up with a rapidly changing accounting profession. The first suggestion, was that, in lieu of meeting the continuing education requirements, CPAs should be allowed to take and pass the CPA

examination. The respondents strongly disagreed with this suggestion (21% for; 71% against). Then, it was suggested that, in lieu of meeting the continuing education requirements, CPAs should be allowed to take and pass a special exam prepared for that purpose. The State of Florida has such a provision in its CCE program which has been discussed previously, in Chapter III. The Louisiana CPAs, however, disagreed with that suggestion (32% for; 56% against). Since the extent of disagreement was not great enough to be considered "strong disagreement," detailed analysis was conducted on the responses of certain groups. Significant differences were found in the responses of three of the groups tested (see Table 18).

One significant difference was found to be dependant upon the number of years of public accounting experience of the respondents. Although the responses differed at the .05 level, all of the groups disagreed with the statement regardless of their years of public accounting experience. Another significant difference, at the .01 level, was found in the responses of those respondents who are employed by national CPA firms as opposed to the responses given by the respondents who are employed by local CPA firms. Those employed by national firms were undecided about the suggestion (47% for; 47% against) while those who are employed by local firms strongly disagreed with the suggestion (27% for; 60% against). The third significant difference, at the .01 level, was noted in the responses of those respondents who are employed by firms which conduct professional development programs for their members as opposed to those who are employed by firms that do not conduct such programs. Those who are employed by firms that do conduct such programs disagreed with the

suggestion (41% for; 50% against) while those that are employed with firms that do not conduct professional development programs strongly disagreed with the suggestion (21% for; 66% against).

Since the respondents disagreed with requiring or allowing a special exam in lieu of meeting CCE requirements, Statement II.14 was probably unnecessary. The statement was designed to obtain the opinion of the respondents as to whether the AICPA, State Board, or SLCPA is the proper authority for preparing and grading such an exam if it were given. The respondents were evenly split (45% for; 45% against) over whether the AICPA should prepare and grade such an exam and they were only slightly in favor of the State Board performing such a task (44% for; 43% against) while they registered strong disagreement with the SLCPA preparing and grading special exams (22% for; 64% against).

Two significant differences in responses to Statement II.14a were found (see Table 19). The first difference, at the .05 level, was in the responses given by CPAs who are employed by national CPA firms as opposed to those who are employed by local CPA firms. Those who are employed by national firms favored having the AICPA prepare and grade special exams (58% for; 37% against) while those employed by local firms opposed that idea (39% for; 52% against). Then, respondents who are employed with firms that conduct professional development programs for their members favored the idea (55% for; 40% against) while those employed by firms that do not conduct such programs disagreed with the statement that the AICPA should prepare and grade the special exams (31% for; 57% against).

Three significant differences in responses to Statement II.14b were found (see Table 20). Significant differences at the .01 level

were found when the responses were analyzed by the number of years that the respondents have been a CPA and when the responses were analyzed by the number of years of public accounting experience of the respondents. In both cases, the younger respondents, those with fewer years as a CPA and with fewer years of public accounting experience, favored the suggestion, while the respondents with over five years as a CPA and over five years of public accounting experience opposed the suggestion that the State Board should prepare and grade special exams. The other significant difference in response to the statement that was found was at the .05 level of significance. The difference in response was between those respondents who are employed by CPA firms that conduct professional development programs for their members and those respondents who are employed by firms that do not conduct such programs. Those employed by firms that do conduct professional development programs disagreed with the statement that the State Board should prepare and grade special exams (42% for; 50% against) while those employed by firms that do not conduct such programs agreed with that statement (45% for; 39% against).

Statement II.15 suggested 12 general subject areas which might be acceptable for meeting CCE requirements. The respondents strongly agreed with all of the suggested areas but one, social environment of business. They agreed that social environment of business is an acceptable area for meeting CCE requirements but they agreed with that area to a lesser extent than to which they agreed with the other 11 areas (45% for; 31% against). Analysis of the responses to that area by groups revealed two significant differences in the responses given. The first difference, at the .01 level, was dependant upon the

number of years that the respondents have been a CPA. Those who have been a CPA from zero to five years agreed that the social environment of business should be an acceptable subject area (45% for; 24% against). Those who have been a CPA from six to 15 years also agreed (48% for; 34% against), while those who have been a CPA over 15 years slightly disagreed with the statement that social environment of business is an acceptable general subject area for meeting CCE requirements (38% for; 39% against). Similar results were found when the responses were analyzed by the number of years of public accounting experience of the respondents. Those with zero to five years favored the social environment of business being considered an acceptable general subject area (48% for; 26% against) and also those who have from six to 15 years of public accounting experience (46% for; 31% against). Those with over 15 years of experience, however, disagreed with social environment of business being considered an acceptable subject area for meeting CCE requirements (38% for; 41% against).

The other 11 general subject areas which were considered were all strongly favored by the respondents. Those areas are:

Accounting and Auditing	(99% for; 1% against)
Administrative Practices	(71% for; 14% against)
Business Law	(83% for; 9% against)
Communicative Arts	(57% for; 25% against)
Computer Sciences	(85% for; 6% against)
Economics	(61% for; 17% against)
Finance, Marketing, or Management	(74% for; 13% against)
Management Services	(88% for; 4% against)
Mathematics, Statistics, etc.	(72% for; 14% against)
Specialized Areas of Industry	(83% for; 9% against)
Taxation	(97% for; 1% against)

In responding to Statement II.16, the CPAs indicated their agreement or disagreement with ten suggested types of study which would be acceptable for meeting the continuing education requirements. The

respondents strongly agreed with the following nine types of study:

Professional development programs of the AICPA and state societies or chapters	(98% for; 1% against)
Technical sessions at meetings of other accounting organizations	(87% for; 8% against)
Technical sessions at meetings of other professional organizations whose purpose is related to accounting	(76% for; 13% against)
University or college credit courses	(97% for; 1% against)
University or college non-credit short courses	(89% for; 5% against)
Formal organized in-firm education programs	(84% for; 8% against)
Formal correspondence or individual self-study programs which require registration and which provide evidence of satisfactory completion	(92% for; 3% against)
Service as a lecturer of discussion leader	(60% for; 14% against)
Service as an accounting educator	(66% for; 23% against)

The one type of study which the respondents opposed as being acceptable for meeting CCE requirements is informal self-study (28% for; 50% against). Responses to this statement were analyzed by groups. Two of the tests taken revealed significant differences in the responses of the groups tested, both at the .01 level (see Table 22). The first difference was noted when the responses were analyzed by the number of years that the respondents have been a CPA. Those who have been a CPA for zero to five years strongly disagreed with informal self-study being an acceptable type of study for meeting CCE requirements (21% for; 53% against); those who have been a CPA from

six to 15 years disagreed to a lesser extent (28% for; 49% against); and finally, those who have been a CPA for over 15 years disagreed even less (40% for; 46% against).

The other significant difference was noted in the responses given by CPAs whose firms conduct professional development programs for their members as opposed to the responses given by CPAs whose firms do not conduct such programs. The former group strongly opposed informal self-study being considered an acceptable type of study for meeting CCE requirements (19% for; 58% against) while the latter group opposed informal self-study to a lesser extent (36% for; 45% against).

It is important to note that all groups tested disagreed with informal self-study being considered an acceptable type of study for meeting CCE requirements. As mentioned earlier, one of the arguments against CCE is that some CPAs do enough informal self-study to keep up with the changes in the accounting profession and that therefore, they have no need of formal continuing education courses. Several states have accepted this argument and do allow informal self-study to be considered an acceptable type of continuing education study. It is quite obvious that the majority of Louisiana CPAs do not agree that self-study should be acceptable for meeting CCE requirements.

Another argument often heard against CCE is that a CPA could meet the requirements by just "going through the motions," i.e., by sitting through the required number of hours of continuing education programs but not paying attention to the programs and not making any effort to learn from the programs. Statement II.17 suggested one possible way of determining if CPAs have gotten something out of the program. Unfortunately, the respondents "strongly disagreed" with the

suggestion that a CPA should be required to pass an exam at the end of a professional development program (21% for; 66% against). Such a requirement is already inherently included in certain types of continuing education, for example, university credit courses, but apparently the respondents do not want such evidence of satisfactory completion required for other types of continuing education.

Statement II.18 pertains to the type of control that should be exercised over in-firm professional development programs. The respondents strongly agreed with the statement that an outline must be prepared in advance and retained (81% for; 9% against). They also agreed with the statement that an outline must be approved in advance by the continuing education regulating committee (45% for; 39% against). One advantage of such a requirement would be to prevent CPA firms from suddenly deciding to conduct a professional development program without adequate preparation. Also, the regulating committee would be able to evaluate, to some degree, the adequacy of the in-firm programs and disallow credit for those programs that are not properly planned. Four of the tests taken on the responses by groups to the latter statement showed significant differences (see Table 23). First, CPAs who are currently engaged in public practice slightly disagreed with the statement that an outline should be approved in advance (41% for; 42% against) but those who are not currently engaged in public practice agreed with the statement (52% for; 34% against). Then, a similar response was found when the responses were analyzed by type of employment. Those respondents who are employed with a CPA firm slightly disagreed with the statement (40% for; 43% against) while those who were not employed with a CPA firm approved of the statement

(52% for; 33% against). Next, CPAs who are employed with national CPA firms strongly disagreed with requiring an outline to be approved in advance (28% for; 56% against) while those employed by local CPA firms agreed with such a requirement (43% for; 39% against). Finally, CPAs who are employed with firms that conduct professional development courses for their members disagreed with Statement II.18b (29% for; 55% against) while those employed by firms that do not conduct such programs agreed with the statement that an outline should be approved in advance before CCE credit can be granted for in-firm professional development programs (49% for; 32% against).

Statement II.18c suggests that in-firm professional development programs should be open to all CPAs. Certain advantages could be gained from such a requirement. First, the lecturer or discussion leader would probably prepare more thoroughly if he knew that he might be observed by outsiders. Then, CPAs who work for small CPA firms or who are not in public practice would have more opportunities to participate in CCE programs. Also, the interchange of ideas between members of different accounting firms and between CPAs who are currently in public practice and those who are engaged in some other type of activity would be beneficial. The respondents did not agree with this suggestion, however (34% for; 53% against). Detailed analysis of the responses to this statement by group revealed four significant differences in the responses of the groups tested, all at the .01 level (see Table 24).

CPAs in public practice disagreed with in-firm professional development programs being open to all CPAs (30% for; 59% against) while those who are not engaged in public practice also disagreed with the

suggestion (41% for; 44% against). Then, those respondents who are currently employed with a CPA firm strongly disagreed with the statement (28% for; 61% against) while those who are not employed with a CPA firm were split in their agreement and disagreement with the suggestion (43% for; 43% against). Next, those respondents who are employed with national CPA firms strongly disagreed with the statement that in-firm professional development programs should be open to all CPAs (13% for; 79% against) while the respondents who are employed with local CPA firms also disagreed with the suggestion but at a much lesser extent (33% for; 54% against). Finally, CPAs who are employed by firms that conduct professional development programs for their members strongly disagreed with requiring in-firm professional development programs to be open to all CPAs (15% for; 75% against) while those CPAs who are employed by firms that do not conduct such programs also disagreed with the suggestion but at a much lesser extent (40% for; 46% against).

It would seem that if the accounting profession is going to raise its standard of performance, one thing that will be necessary is free and open exchange between all members of the profession and between all CPA firms. No one has suggested that a CPA firm should give away trade secrets, but still, it seems that they should be willing to openly discuss topics that are of common interest to all members of the profession. Any topics that are covered in in-firm professional development programs that are of a type that competitors should not hear do not appear to be the type of programs for which continuing education credit should be granted. From the responses to Statement II.18, and especially to Statement II.18c, it is quite obvious that the CPAs, in particular those employed by national firms, are not yet

ready to open their in-firm professional development programs to all CPAs, even for the good of the profession. It seems quite unfortunate that the national firms, those that have so much sayso and influence in major accounting policy making, are still jealously guarding their discussions of accounting topics which would be of general interest to the entire profession.

Statement II.19 was probably unnecessary because the CPAs did not agree that informal self-study is an acceptable type of study for meeting CCE requirements (Statement II.16h). Statement II.19 states that continuing education credit for formal and informal self-study should be limited to a maximum of 10 percent of the basic requirement. The respondents disagreed with the statement (40% for; 48% against). Several of the respondents indicated that a larger percentage should be allowed for formal self-study but that 10 percent or less should be allowed for informal self-study. CPAs who are in public practice responded significantly different to this statement than those who are not in public practice (see Table 25). Those in public practice were evenly divided in their opinions about this statement (44% for; 44% against) but those not in public practice disagreed with the 10 percent limitation on self-study (32% for; 56% against). Then, those respondents who are employed with a CPA firm were also nearly evenly divided in their opinions about Statement II.19 (45% for; 44% against). Those who are not employed with a CPA firm opposed the 10 percent limitation on self-study (33% for; 54% against).

A total of 484 respondents expressed their opinion regarding the proper limitation that should be placed on self-study. The weighted average of the responses was 30.6 percent. Since the statement referred

to both formal and informal self-study, it is difficult to determine if the respondents favored limiting both formal and informal self-study, especially since they had indicated disagreement with informal self-study (Statement II.16h) and agreement with formal self-study (Statement II.16g) as acceptable types of study for meeting continuing education requirements.

Statement II.20 was also probably unnecessary since the respondents disagreed with the statement that informal self-study should be acceptable for meeting CCE requirements. Nevertheless, the respondents strongly agreed with Statement II.20 that the CPA must submit a synopsis of the material studied to get CCE credit for informal self-study (70% for; 17% against).

Statement II.21 was designed to obtain the opinion of the respondents regarding the amount of credit that should be granted for each type of continuing education program. Statement II.21a was probably unnecessary since the respondents indicated disagreement with informal self-study as an acceptable form of continuing education for meeting CCE requirements. The respondents also disagreed with Statement II.21a that continuing education credit for informal self-study should be limited to a maximum of one-hour per program (29% for; 40% against). Since the respondents indicated disagreement with informal self-study being acceptable for meeting CCE requirements, their disagreement with this statement probably indicates that they believe that no credit should be granted for informal self-study rather than meaning that the amount of credit should be more than one-hour per program. Although detailed analysis of the responses to this statement was conducted by groups, no significant difference was found in the

responses of any of the groups tested.

The respondents strongly agreed that continuing education credit should be determined on an individual basis for formal correspondence courses (60% for; 25% against) and for published books and articles (72% for; 13% against). They agreed at a lesser extent that such credit for a lecturer or discussion leader should be double the credit given to a CPA in attendance (50% for; 34% against). Detailed analysis of the latter statement by groups revealed three significant differences in the responses of the groups tested (see Table 26). In the first test, a significant difference was found, at the .01 level, in the responses dependent upon the number of years that the respondents had been a CPA. Those who had been a CPA from zero to five years disagreed with the statement (40% for; 41% against) while those with six to 15 years as a CPA agreed with the statement (55% for; 31% against) and those with over 15 years as a CPA strongly agreed with the statement (61% for; 28% against). Another significant difference in response, at the .05 level, was found in the responses given by CPAs who are engaged in public practice as opposed to those who are not. Those CPAs who are in public practice agreed with the statement that credit for a lecturer should be double the credit given to a person in attendance (49% for; 38% against) while those who are not in public practice agreed with the statement to a greater extent (54% for; 28% against). The third significant difference in response, at the .05 level, was found in the responses given by CPAs who are employed by national CPA firms as opposed to those who are employed by local CPA firms. Those employed with national firms strongly agreed with the statement (62% for; 24% against) while those employed by local firms agreed with the

statement but to a lesser extent (46% for; 40% against).

The respondents disagreed with Statement II.21e that continuing education credit for service as an accounting educator should be double the credit given to a student in his classes (40% for; 44% against). This result was somewhat surprising in view of the responses to the previous statement that a lecturer or discussion leader should receive double the credit given to a CPA in attendance. The apparent difference in the responses is probably due to the opinion of some respondents that the preparation done by an accounting educator is part of his job and therefore warrants no extra CCE credit, while the preparation done by a lecturer or discussion leader is "extra work" and therefore should receive "extra credit."

There was much difference of opinion regarding the amount of credit to allow an accounting educator among the groups tested. Four of the analyses by groups showed significant differences in the responses of the groups tested (see Table 27). First, CPAs who are currently engaged in public practice responded differently, at the .01 level, to the statement than those CPAs who are not currently engaged in public practice. Those in public practice disagreed with accounting educators receiving double credit (36% for; 49% against) while those not in public practice agreed with that idea (46% for; 36% against). Then, a difference, at the .05 level, was found in the responses of CPAs who are employed with a CPA firm as opposed to those who are not. Those employed with a CPA firm disagreed with accounting educators receiving double credit (34% for; 49% against) while those who are not employed with a CPA firm agreed with that idea (45% for; 38% against). A third significant difference, at the .05 level, was found in the responses of

CPAs employed with national CPA firms when compared with the responses of those employed with local CPA firms. The respondents who are employed with national firms agreed with the statement that accounting educators would receive double credit (47% for; 35% against) while the respondents who are employed with local firms disagreed with that statement (32% for; 53% against). Still another difference, at the .05 level, was found in the responses of CPAs who are employed by firms that conduct professional development programs for their members when compared to the responses of CPAs who are employed by firms that do not conduct such programs. The respondents who are employed by firms that conduct professional development programs were evenly divided in their opinion (42% for; 42% against) while those employed by firms that do not conduct professional development programs disagreed with the statement that accounting educators should receive double the credit given to a student in their classes (28% for; 55% against).

The respondents to Statement II.21 strongly agreed that credit for university or college credit courses should be 15 hours per semester hour or 10 hours per quarter hour (63% for; 12% against). They also strongly agreed that continuing education credit should be equal to actual hours of attendance at professional development programs of the AICPA and state societies (86% for; 6% against), at meetings of professional organizations whose purpose is related to accounting (80% for; 8% against), and at in-firm professional development programs (77% for; 10% against).

Statement II.22 was that a CPA should be required to report his participation in continuing education annually. The respondents strongly agreed with that statement (86% for; 11% against).

Statement II.23 sought to determine what type of evidence a CPA should have to submit in order to receive CCE credit. Statement II.23a was that a CPA should have to sign a sworn statement to receive CCE credit. The respondents agreed with that idea (50% for; 39% against). No significant difference was found among the responses to this statement from any of the groups tested.

Statement II.23b stated that a CPA should be required to submit evidence for all continuing education credit claimed. The respondents also agreed with that statement (53% for; 34% against). Only one of the tests conducted on responses by groups revealed any significant difference in the responses to the statement, that at the .05 level (see Table 28). All three of the groups in the analysis by number of years as a CPA agreed with the statement although the respondents who have been a CPA from zero to five years registered stronger agreement with the statement (56% for; 27% against) than those who have been a CPA for six to 15 years (51% for; 38% against) or those who have been a CPA for over 15 years (51% for; 40% against).

As expected in view of the responses to Statements II.23a and II.23b, the respondents to Statement II.23c strongly disagreed with the statement that a CPA should be allowed to claim continuing education credit without submitting evidence or signing a sworn statement (24% for; 63% against).

Statement II.24 sought to determine the opinion of the respondents regarding what type of penalty that should be imposed upon a CPA who deliberately claims more CCE credit than the amount to which he is entitled. It should be remembered that the assumption under which this statement, and most of the other Part II statements, was answered is

that CCE would be required by Louisiana law. Therefore, anyone who deliberately claimed excess credit was deliberately violating the law. It was interesting, and saddening, to note that several respondents indicated in their comments that if such a law were passed, they would not hesitate to claim excess credit. This was an outright admission that they would be willing to violate the law if it was not to their liking. Such admissions are especially significant when one remembers that they are being made by CPAs, people who have been licensed to protect the public from false financial statements by businesses.

Respondents to Statement II.24 were strong in their opinion about how such situations should be handled. They strongly opposed allowing the CPA to simply amend his claim without penalty (17% for; 66% against). They also strongly opposed the statement that a CPA should lose his license to practice as a CPA for such deliberate falsifications (19% for; 60% against) and the statement that for such acts, a CPA should lose all CPA rights and privileges (19% for; 61% against).

Statement II.24d was that for such deliberate falsifications, a CPA should be tried in a court of law for perjury. That is the penalty that is imposed in several states for such acts and it is also the penalty that is usually imposed for swearing to false statements. The Louisiana CPAs, however, strongly disagreed with such a penalty (5% for; 80% against).

The final statement, Statement II.24e, suggests that if a CPA deliberately claims an excess amount of continuing education credit, he should be tried for a Code of Ethics violation. The respondents strongly agreed with this statement (63% for; 24% against). The support for this

statement apparently stems from a feeling among the respondents that such acts should be handled within the profession rather than by some outside body, such as a court of law. It is interesting to note, however, that in responding to Statement II.2d, which has been discussed previously, the CPAs disagreed with the statement that continuing education should be required by the Codes of Ethics (37% for, 40% against). In view of this opposition to continuing education being made a Code of Ethics requirement, it is somewhat surprising that the respondents were of such strong agreement that deliberately claiming an excess amount of continuing education credit should be considered a Code of Ethics violation. Of course, the Code of Ethics does contain other statements that would probably cover such false statements no matter what the subject matter to which they pertain.

As seen by the above responses to the questionnaire items, the Louisiana CPAs favor CCE being imposed at some level. The next chapter, Chapter V, will develop a model program of CCE which, if implemented, could satisfy the need for the compulsory continuing education of Louisiana CPAs.

TABLE 3
TABLE OF CHI-SQUARE TESTS
CONDUCTED AND RESULTS

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.1	A good definition of continuing education is, "formal programs of learning which contribute directly to the professional competency of an individual after he has become a CPA."			
I.1	2.32	4	NS	4
I.2	1.51	4	NS	
I.3	6.62	2	.05	
I.8	5.59	2	NS	
I.9	0.16	2	NS	
I.12	0.37	2	NS	
II.2b	Continuing education should be required by Louisiana law.			
I.1	2.41	4	NS	5
I.2	1.62	4	NS	
I.3	1.55	2	NS	
I.8	0.97	2	NS	
I.9	9.62	2	.01	
I.12	0.22	2	NS	
II.2c	Continuing education should be required by State Board regulation.			
I.1	9.23	4	NS	6
I.2	5.12	4	NS	
I.3	3.11	2	NS	
I.8	2.67	2	NS	
I.9	16.39	2	.01	
I.12	5.79	2	NS	

TABLE 3 (continued)

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.2d	Continuing education should be required by Accounting Codes of Ethics.			
I.1	2.09	4	NS	
I.2	5.69	4	NS	
I.3	1.14	2	NS	
I.8	0.27	2	NS	
I.9	16.38	2	.01	7
I.11	7.63	2	.01	7
II.2e	Continuing education should be required for AICPA membership.			
I.1	4.33	4	NS	
I.2	8.01	4	NS	
I.3	2.09	2	NS	
I.8	2.87	2	NS	
I.9	9.23	2	.01	8
I.12	2.56	2	NS	
II.2f	Continuing education should be required for Louisiana CPA Society membership.			
I.1	5.81	4	NS	
I.2	4.42	4	NS	
I.3	1.49	2	NS	
I.8	0.72	2	NS	
I.9	4.00	2	NS	
I.12	0.88	2	NS	
II.2g	Continuing education should be voluntary, with participation reported to the Louisiana CPA Society.			
I.1	3.91	4	NS	
I.2	7.69	4	NS	
I.3	1.09	2	NS	
I.8	0.66	2	NS	
I.9	13.57	2	.01	9
I.12	1.61	2	NS	

TABLE 3 (continued)

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.2h	Continuing education should be left entirely up to the individual CPA.			
I.1	5.61	4	NS	
I.2	1.20	4	NS	
I.3	8.38	2	.05	10
I.8	5.64	2	NS	
I.9	5.24	2	NS	
I.12	14.23	2	.01	10
II.4b	The penalty for failure to meet the continuing education requirements in a specified period should be loss of the right to practice.			
I.1	12.60	4	.05	11
I.2	3.01	4	NS	
I.3	5.14	2	NS	
I.8	4.32	2	NS	
I.9	5.85	2	NS	
I.12	4.60	2	NS	
II.4c	The penalty for failure to meet the continuing education requirements in a specified period should be loss of the right to express an opinion on statements.			
I.1	7.16	4	NS	
I.2	7.58	4	NS	
I.3	4.26	2	NS	
I.8	1.97	2	NS	
I.9	9.46	2	.01	12
I.12	14.75	2	.01	12
II.6a	Exceptions to continuing education requirements should be allowed for age.			
I.1	42.55	4	.01	13
I.2	20.80	4	.01	13
I.3	0.72	2	NS	
I.8	2.78	2	NS	
I.9	10.33	2	.01	13
I.12	4.44	2	NS	

TABLE 3 (continued)

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.6d	Exceptions to continuing education requirements should be allowed for foreign residence.			
I.1	24.87	4	.01	14
I.2	9.91	4	.05	14
I.3	0.74	2	NS	
I.8	0.22	2	NS	
I.9	2.49	2	NS	
I.12	0.28	2	NS	
II.6f	Exceptions to continuing education requirements should be allowed for CPAs not currently in public practice.			
I.1	20.19	4	.01	15
I.2	3.34	4	NS	
I.3	19.88	2	.01	15
I.8	21.72	2	.01	15
I.9	11.17	2	.01	15
I.12	2.91	2	NS	
II.8	The basic continuing education requirement should be 120 hours in a three-year period.			
I.1	1.44	4	NS	
I.2	6.51	4	NS	
I.3	6.72	2	.05	16
I.8	9.15	2	.05	16
I.9	8.87	2	.05	16
I.12	17.94	2	.01	16
II.9	The minimum amount of continuing education that should be allowed in any one year should be 32 hours.			
I.1	2.01	4	NS	
I.2	8.28	4	NS	
I.3	2.71	2	NS	
I.8	2.80	2	NS	
I.9	7.05	2	.05	17
I.12	13.39	2	.01	17

TABLE 3 (continued)

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.10	CPAs should only be allowed to meet 50% of the basic requirement in their area of specialization.			
I.1	5.56	4	NS	
I.2	4.04	4	NS	
I.3	1.32	2	NS	
I.8	1.56	2	NS	
I.9	1.70	2	NS	
I.12	1.15	2	NS	
II.11	CPAs should be required to meet at least 25% of the basic requirement in accounting and auditing areas.			
I.1	1.32	4	NS	
I.2	2.67	4	NS	
I.3	2.81	2	NS	
I.8	5.24	2	NS	
I.9	2.28	2	NS	
I.12	1.98	2	NS	
II.13b	In lieu of meeting the continuing education requirements, CPAs should be allowed to take and pass a special exam prepared for that purpose.			
I.1	8.05	4	NS	
I.2	9.59	4	.05	18
I.3	4.20	2	NS	
I.8	3.25	2	NS	
I.9	9.58	2	.01	18
I.12	15.30	2	.01	18
II.14a	If a special exam is required or allowed in lieu of meeting continuing education requirements, the exam should be prepared and graded by the AICPA.			
I.1	8.77	4	NS	
I.2	5.83	4	NS	
I.3	1.69	2	NS	
I.8	1.47	2	NS	
I.9	7.99	2	.05	19
I.12	18.08	2	.01	19

TABLE 3 (continued)

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.14b	If a special exam is required or allowed in lieu of meeting continuing education requirements, the exam should be prepared and graded by the State Board.			
I.1	14.38	4	.01	20
I.2	10.47	4	.05	20
I.3	0.49	2	NS	
I.8	1.85	2	NS	
I.9	0.51	2	NS	
I.12	7.79	2	.05	20
II.15j	Each of the following general subject areas are acceptable for meeting continuing education requirements: Social Environment of Business.			
I.1	15.13	4	.01	21
I.2	10.10	4	.05	21
I.3	0.59	2	NS	
I.8	0.87	2	NS	
I.9	0.09	2	NS	
I.12	0.11	2	NS	
II.16h	The following types of study are acceptable for meeting continuing education requirements: Informal Self-Study.			
I.1	17.96	4	.01	22
I.2	9.09	4	NS	
I.3	0.87	2	NS	
I.8	1.84	2	NS	
I.9	3.35	2	NS	
I.12	11.37	2	.01	22
II.18b	If in-firm professional development programs are allowed, an outline must be approved in advance by the continuing education regulating committee.			
I.1	4.90	4	NS	
I.2	3.25	4	NS	
I.3	6.59	2	.05	23
I.8	8.80	2	.05	23
I.9	7.43	2	.05	23
I.12	17.75	2	.01	23

TABLE 3 (continued)

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.18c	If in-firm professional development programs are allowed, the program must be open to all CPAs.			
I.1	1.57	4	NS	
I.2	1.40	4	NS	
I.3	12.41	2	.01	24
I.8	19.68	2	.01	24
I.9	14.18	2	.01	24
I.12	30.06	2	.01	24
II.19	If formal and/or informal self-study is allowed, a maximum of 10% of the total continuing education requirement may be met through self-study.			
I.1	3.21	4	NS	
I.2	3.77	4	NS	
I.3	8.94	2	.01	25
I.8	8.47	2	.05	25
I.9	0.52	2	NS	
I.12	1.02	2	NS	
II.21a	Continuing education credit for informal self-study should be limited to a maximum of one-hour per program.			
I.1	1.83	4	NS	
I.2	1.73	4	NS	
I.3	0.67	2	NS	
I.8	0.97	2	NS	
I.9	0.05	2	NS	
I.12	5.49	2	NS	
II.21d	Continuing education credit for service as a lecturer or discussion leader should be double the credit given to a CPA in attendance.			
I.1	15.95	4	.01	26
I.2	3.23	4	NS	
I.3	6.50	2	.05	26
I.8	2.63	2	NS	
I.9	6.59	2	.05	26
I.12	5.49	2	NS	

TABLE 3 (continued)

Number ^a	Chi-Square	D.F. ^b	Significance ^c	Table ^d
II.21e	Continuing education credit for service as an accounting educator should be double the credit given to a student in his classes.			
I.1	6.10	4	NS	
I.2	1.87	4	NS	
I.3	9.36	2	.01	27
I.8	7.70	2	.05	27
I.9	7.31	2	.05	27
I.12	7.23	2	.05	27
II.23a	A CPA should be required to sign a sworn statement about the continuing education credit claimed.			
I.1	4.51	4	NS	
I.2	2.02	4	NS	
I.3	0.03	2	NS	
I.8	0.44	2	NS	
I.9	0.80	2	NS	
I.12	3.67	2	NS	
II.23b	A CPA should be required to submit evidence for all continuing education credit claimed.			
I.1	10.09	4	.05	28
I.2	8.30	4	NS	
I.3	0.21	2	NS	
I.8	0.77	2	NS	
I.9	2.06	2	NS	
I.12	0.30	2	NS	

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- ^aI.1 Approximately how many years have you been a CPA?
I.2 Approximately how many years of public accounting experience have you had?
I.3 Are you currently a practicing CPA?
I.8 Is your primary employment with a CPA firm?
I.9 Is your firm a "Big-Eight firm; a national non-big-eight firm; a local firm?
I.12 Does your firm conduct professional development programs for its members?

^bD.F. = Degrees of Freedom.

^cNS = Not significant at the .05 level

^dDetails of significant chi-square results shown on tables indicated.

TABLE 4
SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO CONTINUING EDUCATION DEFINITION
(by Type of Practice)

Responses to Statement II.1	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	316	85.6	164	78.1
Undecided	14	3.8	8	3.8
Disagree or Strongly Disagree	39	10.6	38	18.1
Totals	369	100.0	210	100.0

Chi-Square = 6.62; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 5

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT CONTINUING EDUCATION
SHOULD BE REQUIRED BY LOUISIANA LAW

(by Type of Firm)

Responses to Statement II.2b	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	20	28.6	32	14.0
Undecided	8	11.4	18	7.9
Disagree or Strongly Disagree	42	60.0	178	78.1
Totals	70	100.0	228	100.0

Chi-Square = 9.62; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 6

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT CONTINUING EDUCATION
SHOULD BE REQUIRED BY STATE BOARD REGULATION

(by Type of Firm)

Responses to Statement II.2c	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	48	68.6	105	45.5
Undecided	11	15.7	29	12.6
Disagree or Strongly Disagree	11	15.7	97	42.0
Totals	70	100.0	231	100.0

Chi-Square = 16.39; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 7

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT CONTINUING EDUCATION
SHOULD BE REQUIRED BY ACCOUNTING CODES OF ETHICS

(by Type of Firm)

Responses to Statement II.2d	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	40	57.1	72	31.4
Undecided	10	14.3	35	15.3
Disagree or Strongly Disagree	20	28.6	122	53.3
Totals	70	100.0	229	100.0

Chi-Square = 16.38; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 7 (continued)
(by Whether Firm Has Professional Development Programs)

Responses to Statement II.2d	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	66	44.6	45	30.1
Undecided	23	15.5	20	13.7
Disagree or Strongly Disagree	59	39.9	81	55.5
Totals	148	100.0	146	100.0

Chi-Square = 7.63; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 8

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT CONTINUING EDUCATION
SHOULD BE REQUIRED FOR AICPA MEMBERSHIP

(by Type of Firm)

Responses to Statement II,2e	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	44	62.9	97	42.2
Undecided	5	7.1	27	11.7
Disagree or Strongly Disagree	21	30.0	106	46.1
Totals	70	100.0	230	100.0

Chi-Square = 9.23; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 9

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT CONTINUING EDUCATION
SHOULD BE VOLUNTARY WITH PARTICIPATION
REPORTED TO THE LOUISIANA SOCIETY

(by Type of Firm)

Responses to Statement II.2g	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	16	23.2	110	47.4
Undecided	7	10.1	22	9.5
Disagree or Strongly Disagree	46	66.7	100	43.1
Totals	69	100.0	232	100.0

Chi-Square = 13.57; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 10

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT CONTINUING EDUCATION
SHOULD BE LEFT ENTIRELY UP TO INDIVIDUAL CPAs

(by Type of Practice)

Responses to Statement II.2h	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	70	20.0	63	30.7
Undecided	33	9.4	19	9.3
Disagree or Strongly Disagree	247	70.6	123	60.0
Totals	350	100.0	205	100.0

Chi-Square = 8.38; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 10(continued)
(by Whether Firm Has Professional Development Programs)

Responses to Statement II.2h	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	17	11.6	40	27.4
Undecided	11	7.5	16	11.0
Disagree or Strongly Disagree	119	81.0	90	61.6
Totals	147	100.0	146	100.0

Chi-Square = 14.23; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 11

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT THE PENALTY FOR FAILURE TO MEET
CCE REQUIREMENTS SHOULD BE
LOSS OF THE RIGHT TO PRACTICE

(by Years as a CPA)

Responses to Statement II.4b	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	64	29.1	80	36.4	34	30.1
Undecided	43	19.5	32	14.5	8	7.1
Disagree or Strongly Disagree	113	51.4	108	49.1	71	62.8
Totals	220	100.0	220	100.0	113	100.0

Chi-Square = 12.60; 4 Degrees of Freedom; Significant at the .05 level.

TABLE 12

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT THE PENALTY FOR FAILURE TO MEET
CCE REQUIREMENTS SHOULD BE
LOSS OF THE RIGHT TO EXPRESS AN OPINION ON STATEMENTS

(by Type of Firm)

Responses to Statement II.4c	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	47	67.1	102	46.2
Undecided	7	10.0	32	14.5
Disagree or Strongly Disagree	16	22.9	87	39.4
Totals	70	100.0	221	100.0

Chi-Square = 9.46; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 12 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.4c	P.D. Programs		No. P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	88	61.5	59	41.3
Undecided	20	14.0	19	13.3
Disagree or Strongly Disagree	35	24.5	65	45.5
Totals	143	100.0	143	100.0

Chi-Square = 14.75; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 13

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT EXCEPTIONS TO CONTINUING EDUCATION
REQUIREMENTS SHOULD BE ALLOWED FOR AGE

(by Years as a CPA)

Responses to Statement II.6a	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	55	24.7	83	36.7	71	60.2
Undecided	28	12.6	23	10.2	5	4.2
Disagree or Strongly Disagree	140	62.8	120	53.1	42	35.6
Totals	223	100.0	226	100.0	118	100.0

Chi-Square = 42.54; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 13 (continued)
(by Years of Experience)

Responses to Statement II.6a	0 - 5 Years Experience		6 - 15 Years Experience		Over 15 Years Experience	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	79	31.2	63	33.5	67	53.2
Undecided	32	12.6	16	8.5	8	6.3
Disagree or Strongly Disagree	142	56.1	109	58.0	51	40.5
Totals	253	100.0	188	100.0	126	100.0

Chi-Square = 20.80; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 13 (continued)

(by Type of Firm)

Responses to Statement II.6a	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	15	21.4	94	39.7
Undecided	5	7.1	25	10.5
Disagree or Strongly Disagree	50	71.4	118	49.8
Totals	70	100.0	237	100.0

Chi-Square = 10.33; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 14

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT EXCEPTIONS TO CONTINUING EDUCATION
REQUIREMENTS SHOULD BE ALLOWED FOR FOREIGN RESIDENCE

(by Years as a CPA)

Responses to Statement II.6d	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	87	39.0	101	44.5	78	65.5
Undecided	47	21.1	37	16.3	9	7.6
Disagree or Strongly Disagree	89	39.9	89	39.2	32	26.9
Totals	223	100.0	227	100.0	119	100.0

Chi-Square = 24.87; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 14 (continued)
(by Years of Experience)

Responses to Statement II.6d	0 - 5 Years Experience		6 - 15 Years Experience		Over 15 Years Experience	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	108	42.9	87	45.8	71	55.9
Undecided	45	17.9	37	19.5	11	8.7
Disagree or Strongly Disagree	99	39.3	66	34.7	45	35.4
Totals	252	100.0	190	100.0	127	100.0

Chi-Square = 9.91; 4 Degrees of Freedom; Significant at the .05 level.

TABLE 15

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT EXCEPTIONS TO CONTINUING EDUCATION
REQUIREMENTS SHOULD BE ALLOWED FOR CPAs NOT CURRENTLY IN PUBLIC PRACTICE

(by Years as a CPA)

Responses to Statement II.6f	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	79	35.4	83	36.1	69	57.5
Undecided	36	16.1	36	15.7	8	6.7
Disagree or Strongly Disagree	108	48.4	111	48.3	43	35.8
Totals	223	100.0	230	100.0	120	100.0

Chi-Square = 20.19; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 15 (continued)

(by Type of Practice)

Responses to Statement II.6f	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	122	33.4	109	52.4
Undecided	56	15.3	24	11.5
Disagree or Strongly Disagree	187	51.2	75	36.1
Totals	365	100.0	208	100.0

Chi-Square = 19.88; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 15 (continued)
(by Type of Employment)

Responses to Statement II.6f	With CPA Firm		Not With CPA Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	109	32.3	122	51.7
Undecided	52	15.4	28	11.9
Disagree or Strongly Disagree	176	52.2	86	36.4
Totals	337	100.0	236	100.0

Chi-Square = 21.72; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 15 (continued)

(by Type of Firm)

Responses to Statement II.6f	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	32	45.1	64	26.7
Undecided	5	7.0	45	18.8
Disagree or Strongly Disagree	34	47.9	131	54.6
Totals	71	100.0	240	100.0

Chi-Square = 11.17; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 16

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO THE SUGGESTED BASIC CONTINUING EDUCATION REQUIREMENT

(by Type of Practice)

Responses to Statement II.8	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	176	48.0	78	37.0
Undecided	70	19.1	46	21.8
Disagree or Strongly Disagree	121	33.0	87	41.2
Totals	367	100.0	211	100.0

Chi-Square = 6.72; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 16 (continued)
(by Type of Employment)

Responses to Statement II.8	With CPA Firm		Not With CPA Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	166	49.1	88	36.7
Undecided	64	18.9	52	21.7
Disagree or Strongly Disagree	108	32.0	100	41.7
Totals	338	100.0	240	100.0

Chi-Square = 9.15; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 16 (continued)

(by Type of Firm)

Responses to Statement II.8	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	45	63.4	104	43.3
Undecided	10	14.1	49	20.4
Disagree or Strongly Disagree	16	22.6	87	36.3
Totals	71	100.0	240	100.0

Chi-Square = 8.87; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 16 (continued)
(by Whether Firm Has Professional Development Programs)

Responses to Statement II.8	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	91	60.3	58	37.4
Undecided	26	17.2	31	20.0
Disagree or Strongly Disagree	34	22.5	66	42.6
Totals	151	100.0	155	100.0

Chi-Square = 17.94; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 17

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT A MINIMUM OF 32 HOURS OF
CONTINUING EDUCATION MUST BE MET EACH YEAR

(by Type of Firm)

Responses to Statement II.9	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	36	50.7	83	34.4
Undecided	9	12.7	55	22.8
Disagree or Strongly Disagree	26	36.6	103	42.7
Totals	71	100.0	241	100.0

Chi-Square = 7.05; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 17 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.9	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	74	48.4	44	28.6
Undecided	29	19.0	34	22.1
Disagree or Strongly Disagree	50	32.7	76	49.4
Totals	153	100.0	154	100.0

Chi-Square = 13.39; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 18

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT CPAs BE ALLOWED TO TAKE AND PASS A
SPECIAL EXAM IN LIEU OF MEETING CCE REQUIREMENTS

(by Years of Experience)

Responses to Statement II.13b	0 - 5 Years Experience		6 - 15 Years Experience		Over 15 Years Experience	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	91	35.1	60	31.4	35	26.9
Undecided	36	13.9	27	14.1	9	6.9
Disagree or Strongly Disagree	132	51.0	104	54.5	86	66.2
Totals	259	100.0	191	100.0	130	100.0

Chi-Square = 9.59; 4 Degrees of Freedom; Significant at the .05 level.

TABLE 18 (continued)

(by Type of Firm)

Responses to Statement II.13b	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	33	46.5	66	27.3
Undecided	5	7.0	29	12.0
Disagree or Strongly Disagree	33	46.5	147	60.1
Totals	71	100.0	242	100.0

Chi-Square = 9.58; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 18 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.13b	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	63	41.2	32	20.6
Undecided	14	9.2	21	13.5
Disagree or Strongly Disagree	76	49.7	102	65.8
Totals	153	100.0	155	100.0

Chi-Square = 15.30; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 19
SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO THE STATEMENT THAT THE AICPA SHOULD PREPARE
AND GRADE SPECIAL EXAMS

(by Type of Firm)

Responses to Statement II.14a	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	41	57.7	88	38.8
Undecided	4	5.6	21	9.3
Disagree or Strongly Disagree	26	36.6	118	52.0
Totals	71	100.0	227	100.0

Chi-Square = 7.99; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 19 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.14a	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	83	55.0	44	31.0
Undecided	8	5.3	17	12.0
Disagree or Strongly Disagree	60	39.7	81	57.0
Totals	151	100.0	142	100.0

Chi-Square = 18.08; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 20

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO THE STATEMENT THAT THE STATE BOARD SHOULD
PREPARE AND GRADE SPECIAL EXAMS

(by Years as a CPA)

Responses to Statement II.14b	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	114	50.7	86	40.2	41	37.6
Undecided	34	15.1	29	13.6	9	8.3
Disagree or Strongly Disagree	77	34.2	99	46.3	59	54.1
Totals	225	100.0	214	100.0	109	100.0

Chi-Square = 14.38; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 20 (continued)
(by Years of Experience)

Responses to Statement II.14b	0 - 5 Years Experience		6 - 15 Years Experience		Over 15 Years Experience	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	120	47.8	76	41.8	45	39.1
Undecided	39	15.5	24	13.2	9	7.8
Disagree or Strongly Disagree	92	36.7	82	45.1	61	53.0
Totals	251	100.0	182	100.0	115	100.0

Chi-Square = 10.47; 4 Degrees of Freedom; Significant at the .05 level.

TABLE 20 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.14b	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	63	42.3	64	44.8
Undecided	11	7.4	24	16.8
Disagree or Strongly Disagree	75	50.3	55	38.5
Totals	149	100.0	143	100.0

Chi-Square = 7.79; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 21

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO SOCIAL ENVIRONMENT OF BUSINESS
BEING AN ACCEPTABLE SUBJECT AREA

(by Years as a CPA)

Responses to Statement II.15j	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	102	45.1	111	48.3	46	38.0
Undecided	69	30.5	42	18.3	28	23.1
Disagree or Strongly Disagree	55	24.3	77	33.5	47	38.8
Totals	226	100.0	230	100.0	121	100.0

Chi-Square = 15.13; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 21 (continued)
(by Years of Experience)

Responses to Statement II.15j	0 - 5 Years Experience		6 - 15 Years Experience		Over 15 Years Experience	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	124	47.7	87	46.0	48	37.5
Undecided	69	26.5	43	22.8	27	21.1
Disagree or Strongly Disagree	67	25.8	59	31.2	53	41.4
Totals	260	100.0	189	100.0	128	100.0

Chi-Square = 10.10; 4 Degrees of Freedom; Significant at the .05 level.

TABLE 22

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO INFORMAL SELF-STUDY BEING AN ACCEPTABLE TYPE OF
STUDY FOR CONTINUING EDUCATION CREDIT

(by Years as a CPA)

Responses to Statement II.16h	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	46	20.5	65	28.4	48	40.3
Undecided	60	26.8	53	23.1	16	13.4
Disagree or Strongly Disagree	118	52.7	111	48.5	55	46.2
Totals	224	100.0	229	100.0	119	100.0

Chi-Square = 17.96; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 22 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.16h	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	28	18.5	54	35.8
Undecided	35	23.2	29	19.2
Disagree or Strongly Disagree	88	58.3	68	45.0
Totals	151	100.0	151	100.0

Chi-Square = 11.37; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 23

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT FOR IN-FIRM PROGRAMS
AN OUTLINE MUST BE APPROVED IN ADVANCE

(by Type of Practice)

Responses to Statement II.18b	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	150	41.1	111	52.1
Undecided	63	17.3	30	14.1
Disagree or Strongly Disagree	152	41.6	72	33.8
Totals	365	100.0	213	100.0

Chi-Square = 6.59; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 23 (continued)

(by Type of Employment)

Responses to Statement II.18b	With CPA Firm		Not With CPA Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	135	40.1	126	52.3
Undecided	57	16.9	36	14.9
Disagree or Strongly Disagree	145	43.0	79	32.8
Totals	337	100.0	241	100.0

Chi-Square = 8.80; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 23 (continued)

(by Type of Firm)

Responses to Statement II.18b	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	20	28.2	103	43.1
Undecided	11	15.5	44	18.4
Disagree or Strongly Disagree	40	56.3	92	38.5
Totals	71	100.0	239	100.0

Chi-Square = 7.43; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 23 (continued)
(by Whether Firm Has Professional Development Programs)

Responses to Statement II.18b	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	44	28.9	75	49.0
Undecided	24	15.8	29	19.0
Disagree or Strongly Disagree	84	55.3	49	32.0
Totals	152	100.0	153	100.0

Chi-Square = 17.75; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 24
SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO THE STATEMENT THAT IN-FIRM PROGRAMS
MUST BE OPEN TO ALL CPAs

(by Type of Practice)

Responses to Statement II.18c	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	108	29.8	87	40.8
Undecided	41	11.3	33	15.5
Disagree or Strongly Disagree	213	58.8	93	43.7
Totals	362	100.0	213	100.0

Chi-Square = 12.41; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 24 (continued)

(by Type of Employment)

Responses to Statement II.18c	With CPA Firm		Not With CPA Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	92	27.5	103	42.9
Undecided	39	11.6	35	14.6
Disagree or Strongly Disagree	204	60.9	102	42.5
Totals	335	100.0	240	100.0

Chi-Square = 19.68; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 24 (continued)

(by Type of Firm)

Responses to Statement II.18c	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree	9	12.7	78	32.9
Undecided	6	8.5	30	12.7
Disagree or Strongly Disagree	56	78.9	129	54.4
Totals	71	100.0	237	100.0

Chi-Square = 14.18; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 24 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.18c	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	22	14.5	61	40.4
Undecided	16	10.5	21	13.9
Disagree or Strongly Disagree	114	75.0	69	45.7
Totals	152	100.0	151	100.0

Chi-Square = 30.06; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 25

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT A MAXIMUM OF 10% OF THE
REQUIREMENT CAN BE MET THROUGH SELF-STUDY

(by Type of Practice)

Responses to Statement II.19	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	161	44.0	67	31.8
Undecided	45	12.3	27	12.8
Disagree or Strongly Disagree	160	43.7	117	55.5
Totals	366	100.0	211	100.0

Chi-Square = 8.94; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 25 (continued)
(by Type of Employment)

Responses to Statement II.19	With CPA Firm		Not With CPA Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	150	44.5	78	32.5
Undecided	39	11.6	33	13.8
Disagree or Strongly Disagree	148	43.9	129	53.8
Totals	337	100.0	240	100.0

Chi-Square = 8.47; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 26

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT LECTURERS SHOULD RECEIVE
DOUBLE CONTINUING EDUCATION CREDIT

(by Years as a CPA)

Responses to Statement II.21d	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	91	40.4	126	54.5	73	60.8
Undecided	42	18.7	33	14.3	13	10.8
Disagree or Strongly Disagree	92	40.9	72	31.2	34	28.3
Totals	225	100.0	231	100.0	120	100.0

Chi-Square = 15.95; 4 Degrees of Freedom; Significant at the .01 level.

TABLE 26 (continued)

(by Type of Practice)

Responses to Statement II.21d	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	176	48.5	114	53.5
Undecided	49	13.5	39	18.3
Disagree or Strongly Disagree	138	38.0	60	28.2
Totals	363	100.0	213	100.0

Chi-Square = 6.50; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 26 (continued)

(by Type of Firm)

Responses to Statement II.21d	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	44	62.0	110	46.0
Undecided	10	14.1	34	14.2
Disagree or Strongly Disagree	17	23.9	95	39.7
Totals	71	100.0	239	100.0

Chi-Square = 6.59; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 27

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO STATEMENT THAT ACCOUNTING EDUCATORS SHOULD
RECEIVE DOUBLE CONTINUING EDUCATION CREDIT

(by Type of Practice)

Responses to Statement II,21e	In Public Practice		Not in Public Practice	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	130	35.7	98	46.0
Undecided	55	15.1	38	17.8
Disagree or Strongly Disagree	179	49.2	77	36.2
Totals	364	100.0	213	100.0

Chi-Square = 9.36; 2 Degrees of Freedom; Significant at the .01 level.

TABLE 27 (continued)
(by Type of Employment)

Responses to Statement II.21e	With CPA Firm		Not With CPA Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	119	35.4	109	45.2
Undecided	52	15.5	41	17.0
Disagree or Strongly Disagree	165	49.1	91	37.8
Totals	336	100.0	241	100.0

Chi-Square = 7.30; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 27 (continued)

(by Type of Firm)

Responses to Statement II.21e	With National Firm		With Local Firm	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	33	46.5	76	31.8
Undecided	13	18.3	36	15.1
Disagree or Strongly Disagree	25	35.2	127	53.1
Totals	71	100.0	239	100.0

Chi-Square = 7.31; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 27 (continued)

(by Whether Firm Has Professional Development Programs)

Responses to Statement II.21e	P.D. Programs		No P.D. Programs	
	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	64	42.4	43	27.9
Undecided	23	15.2	26	16.9
Disagree or Strongly Disagree	64	42.4	85	55.2
Totals	151	100.0	154	100.0

Chi-Square = 7.23; 2 Degrees of Freedom; Significant at the .05 level.

TABLE 28

SIGNIFICANT DIFFERENCES IN GROUP RESPONSES
TO THE STATEMENT THAT A CPA SHOULD SUBMIT
EVIDENCE FOR CONTINUING EDUCATION CREDIT CLAIMED

(by Years as a CPA)

Responses to Statement II.23b	0 - 5 Years as a CPA		6 - 15 Years as a CPA		Over 15 Years as a CPA	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree or Agree	114	55.9	109	51.2	55	50.5
Undecided	36	17.6	24	11.3	11	10.1
Disagree or Strongly Disagree	54	26.5	80	37.6	43	39.5
Totals	204	100.0	213	100.0	109	100.0

Chi-Square = 10.09; 4 Degrees of Freedom; Significant at the .05 level.

CHAPTER V

DESIGN OF MODEL PROGRAM

We have seen in Chapter II that there is apparently a need for requiring CPAs to continue their education beyond the passing of the CPA Examination. Then, in Chapter III we examined the progress made by several states toward satisfying that need and we reviewed the CCE programs which are in existence in those states. Next, in Chapter IV, we analyzed the results of a questionnaire which had been sent to Louisiana CPAs. We saw that nearly two-thirds of the respondent CPAs agreed that there is a need to require Louisiana CPAs to continue their education and we analyzed the opinions of the respondents regarding selected requirements which could be included in a CCE program which is designed for Louisiana CPAs. Now, in Chapter V, we will attempt to integrate the findings from the literature, the other continuing education programs, and the questionnaire. From the data obtained from those sources, we will attempt to develop a model compulsory continuing education program for Louisiana CPAs, which, if implemented, would satisfy the need for such a program in Louisiana.

Integration of Findings

The major objective of this study is the development of a model program of compulsory continuing education for Louisiana CPAs. Because the program is to be specifically designed for Louisiana CPAs, the

opinions of those CPAs, as expressed in their responses to the continuing education questionnaire, will be the major input into the model program. The program will not be designed exclusively from the questionnaire responses, however. Data obtained from other sources will be used to evaluate the adequacy of the responses and to justify the inclusion of certain features which were not favored by the respondents to the questionnaire and the exclusion of other features which were favored by the respondents.

Definition

In order for everyone to have a common understanding of any CCE program, it is necessary that an appropriate definition of continuing education be presented. The definition which was selected for that purpose is the one developed by the AICPA's Ad Hoc Committee on Continuing Education. The definition of continuing education as, "formal programs of learning which contribute directly to the professional competency of an individual after he has become a CPA" was strongly favored by the questionnaire respondents. It is also the definition of continuing education which is used by most of the states in their CCE programs.

Type of Requirement

Nearly two-thirds (65.38%) of the respondents to the questionnaire agreed that continuing education should be required for Louisiana CPAs. The respondents did not agree, however, as to the level at which the CCE requirements should be imposed. Several levels were suggested in the questionnaire: Federal law; Louisiana law; State Board regulation; Codes of Ethics requirement; AICPA membership requirement; and SLCPA

membership requirement. More agreement was found for requiring CCE by State Board regulation than for any of the other methods suggested.

The AICPA in its resolution on continuing education has suggested that the requirement be imposed "by legislation or regulation as may be appropriate." Most of the states which have CCE programs have elected to pass legislation which requires such programs. Nearly three-fourths (74.69%) of the respondents to the questionnaire, however, disagreed with the statement that CCE should be required by Louisiana law. Therefore, it would seem that the model program should suggest that the requirements be imposed by State Board regulation, rather than by Louisiana law.

The State Board apparently has the legislative authority to require CPAs to engage in CCE. In Title 37, Chapter 2, Section 75 of the Louisiana Revised Statutes of 1950, the legislature has said that:

The Board shall adopt and enforce all necessary rules, regulations, bylaws, rules of professional conduct, not in conflict with any law or provision of this Chapter, to govern its proceedings, regulate all holders of certificates, and to regulate the conducting of examinations to be held under this Chapter.

This broad authority which has been granted to the State Board of Accountancy apparently includes the authority to require CCE of CPAs if the Board deems such a requirement necessary for the regulation of the practice of accountancy. One problem, however, is that of legislative intent. Since the idea of CCE had not even been discussed by anyone at the time that the Louisiana Legislature granted the powers to the State Board of Accountancy, it can be argued that the Legislature did not intend for the State Board to have the power to require CPAs to continue their education in order to remain a CPA. In fact, the Statute is fairly specific as to certain requirements which are necessary for

becoming and remaining a CPA, such as the necessity to pass an examination, to meet certain experience and other requirements, and to pay fees. Of course, it does not mention that it is necessary to engage in continuing education activities.

To date, three states have attempted to impose CCE requirements by State Board regulation without specific legislation requiring such action. Two of the states have already found that such regulations are difficult to enforce and have since passed legislation to back up the requirements of their State Boards. It would appear, therefore, that regardless of the disagreement of the respondents, the better course of action would be to have CCE required by Louisiana law rather than simply by State Board regulation. If the legislature does not pass such a law, however, it is still possible that a CCE program that is required by State Board regulation only, could be effective. Therefore, the model program which will be designed will be suitable as either an implementation by the State Board of a specific legislative act or as a CCE requirement that has been initiated by the State Board.

Basic Requirement

The AICPA has suggested a basic continuing education requirement of 120 hours in a three-year period. That suggested basic requirement can be broken down into two parts, the measuring period, and the total requirement per measuring period.

Most of the states which have adopted CCE programs have gone along with a total requirement of 120 hours in three years or at least a requirement that averages 40 hours per year. Not all states have agreed with a measuring period of three years, however.

Respondents to the questionnaire agreed with the suggested basic requirement of 120 hours in a three-year period although certain groups of respondents, particularly those who are not currently engaged in public practice, preferred a lower basic requirement. The three-year measuring period which was favored by the respondents is also the measuring period which is used in most of the states which have CCE programs. Other measuring periods which are sometimes used are periods of one-year or two-years. The three-year measuring period has an advantage over the shorter measuring periods in that it allows more flexibility in the selection of CCE courses which are to be taken. On the other hand, the longer measuring period has a major disadvantage over the other measuring periods because it would allow a CPA to go nearly six years without engaging in any continuing education (see discussion on page 52). If the longer measuring period is used, one way of ensuring that a CPA engages in some continuing education each year is to set a minimum number of hours that can be met in any one year and to have annual reporting. The respondents to the questionnaire agreed that participation should be reported annually. They also agreed that a minimum number of hours should be required each year although they disagreed with the suggested minimum of 32 hours. Instead, the weighted average of their responses indicated that the minimum should be approximately 25.7 hours per year. The State of Nevada requires a minimum of 24 hours to be met each year. That minimum seems reasonable and is consistent with the weighted average of the responses of the Louisiana CPAs. If the measuring period were set at three years, it seems that a minimum requirement of 24 hours per year would allow enough flexibility so that a CPA could choose his continuing education courses

carefully, but yet, would not be able to go long periods without participating in any continuing education.

The respondents to the questionnaire agreed that at least 25 percent of the basic requirement should be met in accounting and auditing areas. If the basic requirement were set at 120 hours in a three-year period, this feature would require at least 30 hours in a three-year period to be in accounting and auditing areas. Only one state, Florida, has such a requirement in its CCE program. In Florida, a CPA must engage in at least 32 hours of continuing education in accounting-related or auditing-related subjects out of a total requirement of 120 hours in a three-year period.

One of the most important decisions which must be made during the development of a CCE program is the decision regarding to whom should the requirements apply. In most states, the requirements apply to all CPAs who hold a license to practice in the state. Then, the states allow their regulating bodies to grant exceptions to individual CPAs for various reasons.

The respondents to the questionnaire indicated that in Louisiana, the State Board should be allowed to grant exceptions for reasons of retirement, poor health, foreign residency, or extended military service. The respondents did not agree that exceptions should be allowed for age or for out-of-state residency. They also did not agree that exceptions should be granted to CPAs who are not currently engaged in public practice, practitioners who perform only administrative duties, CPAs who practice in tax areas only, CPAs who practice in management services only, or accounting educators.

Most of the states also allow exceptions to be granted for

reasons of retirement, poor health, foreign residency, and extended military service. A few states allow exceptions to be granted for age or for out-of-state residency in addition to the above reasons. Every state which has a CCE program either specifically excludes or else allows exceptions to be granted to CPAs who are not presently engaged in public practice. The reason for the exclusion of that particular group of CPAs apparently stems from the strong opposition which those CPAs who are not presently in public practice usually give to the CCE concept. There seems to be little logic in excluding a CPA from CCE requirements simply because at a certain point in time he is not engaged in public practice. At any time, such a CPA could choose to enter public practice since he has a license to do so and, there would be no way to determine if he has kept up with the changes in the profession during the time he was not engaged in public practice. Also, it seems that continuing education would be important in all phases of professional endeavor, not just in public practice. Since a large part of the requirement can be met by taking courses in specialized areas of industry, there appears to be no reason why CPAs in industry should be excluded from CCE requirements. Finally, no exception should be granted to CPAs who are not currently engaged in public practice because to do so would create two classes of CPAs, those who are "currently in public practice" and those who are "not currently in public practice." Until the CPA profession decides to recognize specialties and until it develops certain distinctive specialty designations, the general public would have no way of knowing if a CPA were classified as "in public practice" and would be allowed to perform any accounting function or whether the CPA were classified as "not in public practice" and would

not be allowed to perform certain accounting functions, such as the rendering of opinions on statements. If exceptions were allowed to be granted to CPAs who are not in public practice and no specialty designations were developed, the State Board would have to issue two different licenses for the two classes of CPAs, one license that would allow the CPA to perform any accounting function, and one license that would allow the CPA to perform only limited accounting functions. At the present time, it does not seem that it is desirable to create two classes of CPAs. Therefore, the answer is to have the CCE requirements apply to all CPAs, except those who are excused for reasons of retirement, poor health, foreign residency, extended military service, or other good causes.

Programs Which Qualify

The respondents to the questionnaire agreed that all but one of the types of study suggested are acceptable for continuing education credit. The one type of study with which they did not agree is informal self-study. Only three of the states allow informal self-study to be acceptable for continuing education credit and those three states control that method of study to such an extent that it is doubtful that much credit is granted to anyone for that type of study. In the states which do give credit for informal self-study, CPAs must submit a synopsis of the material which was studied and then credit is limited to one-hour per synopsis. A CPA would have to write quite a few synopses to receive any significant amount of CCE credit from that type of study.

The other types of study which were suggested are types of study which are accepted in nearly all of the states which have CCE programs,

and the respondents to the questionnaire agreed with all of them. The respondents also agreed with the suggested amount of credit which should be granted for each of the acceptable types of study except for the suggested amount of credit which should be granted for service as an accounting educator. The respondents disagreed that the amount of credit for such service should be double to that given to a student in the accounting educator's classes. Most states do not grant double credit for such service but some states do grant double credit, and others grant triple credit, for such service to allow credit for preparation time. While it is true that most accounting educators do spend a great amount of time preparing to teach a new course, it does not seem that credit should be granted for such preparation time since no credit is granted for preparation time to the students who take the course and some of them also spend a great amount of time in preparation for the course.

The respondents agreed that credit should be equal to actual hours of attendance at (1) professional development programs of the AICPA and state societies or chapters, (2) technical sessions at meetings of other accounting organizations, (3) technical sessions at meetings of other professional societies whose purpose is related to accounting, (4) formal organized in-firm education programs, and (5) university or college non-credit short courses. They also agreed that credit should be determined on an individual basis for formal correspondence or individual self-study programs which require registration and which provide evidence of satisfactory completion and for published books and articles. The respondents further agreed that continuing education credit for university or college credit courses should be 15 hours per

semester hour or 10 hours per quarter hour and that continuing education credit for lecturers or discussion leaders should be double that granted to a CPA in attendance at the lectures. The suggested credit to be granted for each type of study discussed above is similar to the amount of credit which is granted in most states. The one exception is that most states do not grant double credit to lecturers or discussion leaders to provide credit for preparation time. Some states do give such double credit to lecturers or discussion leaders and some states even give triple credit for such service. Although the respondents to the questionnaire agreed that lecturers or discussion leaders should receive double credit, it does not seem logical that only that one small group of CPAs should be singled out to receive credit for preparation time when no other group of CPAs is allowed such credit. Such credit for preparation time would be in opposition to the AICPA's suggested guideline which says that "only class hours or the equivalent (and not hours devoted to preparation time) are counted" (see Appendix B). Therefore, it seems that credit for lecturers or discussion leaders should also be limited to actual hours of the lecture or discussion with no credit being granted for preparation time.

Each of the general subject areas which were suggested in the questionnaire are general subject areas which are acceptable in all states that have CCE programs. The respondents agreed that all of the suggested general subject areas are acceptable areas for continuing education credit. The areas with which the respondents agreed are:

- (1) Accounting and Auditing;
- (2) Administrative Practice;
- (3) Business Law;
- (4) Communicative Arts;
- (5) Computer Sciences;
- (6) Economics;
- (7) Finance, Marketing, or Management;
- (8) Management Services;
- (9)

Mathematics, Statistics, etc.; (10) Social Environment of Business; (11) Specialized Areas of Industry; and (12) Taxation.

Controls and Reporting

In all states which have CCE programs, the programs are administered by the State Board of Accountancy. The respondents to the questionnaire agreed that the State Board would be the proper authority to regulate continuing education in Louisiana.

Then, the respondents were asked to express their opinions regarding the proper penalty which should be imposed on a CPA for failure to meet the CCE requirements in a specified period. The three penalties which were suggested in the questionnaire were, (1) loss of all CPA rights and privileges, (2) loss of the right to practice, and (3) loss of the right to express an opinion on statements. The respondents favored the third penalty, loss of the right to express an opinion on statements. If this were the only penalty which could be imposed by the State Board for failure to meet CCE requirements, it would be effective against only a very few CPAs. Since most CPAs do not express opinions on statements in their normal business, for example, tax specialists, such a penalty would do little to encourage all CPAs to meet the CCE requirements.

The penalty that most states impose for failure to meet CCE requirements in a specified period is usually loss of the right to practice accountancy. This penalty would obviously be more effective than the penalty discussed above in encouraging the CPAs to meet the CCE requirements but even it would not be effective against all CPAs. Since all CPAs do not practice public accountancy, some CPAs would not mind having that right taken away from them as long as they could keep

all other CPA rights. Such a penalty would, however, tend to protect the public from CPAs who have not kept up with the changes in the accounting profession because such CPAs would not be permitted to engage in public practice until they had met the CCE requirements.

The best penalty that would be effective against all CPAs who fail to meet CCE requirements is a monetary one. Although such a penalty was not included in the questionnaire, and such a penalty is not used in any of the states which have CCE programs, it is a penalty that was suggested by several of the respondents to the questionnaire. Obviously, a monetary penalty would have some effect on all CPAs who fail to meet CCE requirements. Then, because some CPAs would probably prefer paying a monetary penalty to attending CCE programs, the CPAs should still be required to make up the continuing education that they were lacking under penalty of suspension. Finally, for those CPAs who do not pay the monetary penalty or make up the continuing education that they were lacking, the penalty should be revocation of the CPA certificate. Such a series of progressively more severe penalties would seem to be both fair and effective in ensuring that the CCE requirements are met.

Another control which is necessary is control over in-firm programs. The respondents to the questionnaire were asked to respond to three possible types of control over in-firm programs: (1) An outline must be prepared in advance and retained; (2) an outline must be approved in advance by the continuing education regulating committee; and (3) the program must be open to all CPAs (a reasonable fee may be charged to outsiders). Respondents to the questionnaire agreed with the first two controls but they disagreed with the third control, that the program must be open to all CPAs. Most of the states which have CCE

programs allow credit for in-firm programs. Few of them, however, mention specific controls over in-firm programs. Such controls are necessary because without them it would be possible for many abuses to occur. For example, a two-man firm may claim to have put on CCE courses for its members and the two CPAs may try to claim such a course for CCE credit, or, it would be possible for a program which is claimed for CCE credit to be one that covered only matters that are only of firm interest. Because of the strong possibility of abuse, it is absolutely necessary that strong controls be established over in-firm programs which can be claimed for CCE credit.

Those few states which mention some controls over in-firm matters usually only mention such things as (1) the program must be conducted by a qualified instructor, (2) a record of attendance must be maintained, and (3) an outline must be prepared in advance and retained. All of these controls are necessary, but by themselves, they do little to prevent abuses such as those described above from happening. Having an outline approved in advance by the State Board would improve the control over in-firm programs because the State Board would have an opportunity to disapprove of any program which did not seem to meet the requirements for CCE credit. Still, it would be possible for a firm to submit a good outline to the State Board and then deviate from the outline during the program so that much time devoted to the program is really used to discuss firm matters. Unless a requirement were made that all in-firm programs must be taped and sent to the State Board for review, about the only control which would ensure that the program covered acceptable CCE subjects would be to require that the program be open to all CPAs. If non-firm members were present, it is doubtful if much time would be

spent discussing firm matters. Such matters would have to be discussed at some other time and would not be counted for CCE credit. Another advantage of requiring that in-firm programs be open to all CPAs is that the number of programs available for meeting CCE requirements would be increased and it would become easier for the CPAs to meet the CCE requirements.

The next control which must be considered is the control over the amount of CCE credit claimed and the method and timing by which the credit is to be claimed. Even though the basic requirement measures participation in continuing education during three-year periods, the respondents to the questionnaire agreed that participation in continuing education should be reported to the State Board annually. Such annual reporting can serve several purposes. First, it can tend to spread out the work of the State Board over all three years rather than having to check all of the continuing education reports for all three years at one time. Also, it will enable the State Board to make more tests of the credit claimed before it is necessary to determine if the amount of participation in continuing education was adequate to renew the certificate to practice. Next, it will serve as a reminder to the CPA that he must participate in continuing education before he gets so far behind that he cannot possibly participate in enough continuing education in time to meet the requirements. It will also enable the State Board to determine if the CPAs have met the one-year minimum requirement and to remind the CPAs who seem to be falling behind in their CCE participation. Nearly all states which have CCE requirements, also have annual reporting of the CCE participation to the regulating authority.

The respondents were given three choices over which to respond

regarding how participation in CCE should be reported. The three choices were: (1) A CPA should be required to sign a sworn statement about the continuing education claimed; (2) a CPA should be required to submit evidence for all continuing education credit claimed; and (3) a CPA should be allowed to claim continuing education credit without submitting evidence or signing a sworn statement. The respondents agreed with both of the first two choices and disagreed with the statement that a CPA should be allowed to claim continuing education credit without submitting evidence or without signing a sworn statement. All states which have CCE programs require the CPAs to submit signed statements of CCE credit claimed. Several of the states indicate in their requirements that the signed statement is being submitted under the penalty of perjury. Most of the states do not require evidence to be submitted with the statement but they do require such evidence to be retained for a certain period of time and to be made available for review upon request by the State Board. This method of control seems reasonable if the regulating authority does indeed check a significant percentage of the CCE reports. If instead, the reports are simply accepted with little or no checks made, more control is needed, such as requiring that evidence be submitted for all CCE credit claimed.

The last important control which must be discussed is the type of penalty which should be imposed against a CPA who deliberately claims more CCE credit than that to which he is entitled. Respondents to the questionnaire were given the following five choices of a penalty for such deliberate falsifications: (1) The CPA should be allowed to simply amend his claim without penalty; (2) the CPA should lose his license to practice as a CPA; (3) the CPA should lose all CPA rights and

privileges; (4) the CPA should be tried in a court of law for perjury; and (5) the CPA should be tried for a Code of Ethics violation. The only one of the five penalties with which the respondents agreed was that the CPA should be tried for a Code of Ethics violation. None of the states which have CCE programs require such a penalty for such deliberate falsifications. Most of the CCE programs do not address themselves directly to this problem. Those programs which do make mention of a penalty for such actions state that the penalty is the penalty for perjury. It is logical that the penalty for such actions be the penalty for perjury because the CCE program is required by state law and it would be rare indeed for a state to allow a profession to discipline its own members when a state law has been violated. That duty usually falls to a state court. While such deliberate falsifications are obviously also Code of Ethics violations, they are also violations of state law and the guilty parties should be required to answer to the state for their actions. Usually, when a person signs a sworn statement he does so under the penalty of perjury and several states do indeed carry forth that same penalty to the statement of CCE credit claimed.

The Model Program

Below, a model program of compulsory continuing education will be suggested, which, if implemented would satisfy the need of Louisiana CPAs for such a program. As can be noted, the program does not follow exactly the responses given by the Louisiana CPAs to the continuing education questionnaire, in fact, some of the suggested requirements are in direct opposition to those favored by the respondents. The reasons for the inclusion of such requirements have already been set out in the

previous sections of Chapter V. Because the CPAs did not favor some of the requirements which are included in the model program, it is doubtful if they would completely support the model program as it is written. For this reason, and others, implementation of the program has not been made a part of this study. The program strongly considers the wishes of the majority of the Louisiana CPAs in most instances, and in this sense, it has been prepared for them. When a valid reason was found for deviating from the wishes of the majority of Louisiana CPAs, such deviations were considered necessary in order that the program might truly represent a "model" which could be copied or imitated by others who have need for such a program, rather than the program simply being a summary of what the majority of the respondents to the questionnaire preferred. The remainder of this chapter will be devoted to presentation of the suggested model program.

A MODEL PROGRAM OF
COMPULSORY CONTINUING EDUCATION FOR
CERTIFIED PUBLIC ACCOUNTANTS IN
THE STATE OF LOUISIANA

I. Basic Requirement

- A. During the three-year period from January 1, 1976 to December 31, 1978, and each three-year period thereafter, all applicants for renewal of the certificate to practice as a Certified Public Accountant in the State of Louisiana shall, in addition to all other requirements,
1. complete at least 120 hours of acceptable continuing education, except that,
 - a. the Board may grant, at its discretion, exceptions to this requirement for reasons of retirement, poor health, extended military service, foreign residency, and other good causes, not to include such causes as age, out-of-state residency, or not currently in public practice. Such exceptions will be granted by the Board only upon application and only upon good evidence, such as doctors' certificates, military orders, etc.
 - b. applicants who receive their initial certification in the State of Louisiana during a certain three-year period, will be required to meet only a pro-rata part of this requirement for the remaining whole years in the three-year period, thus, if an applicant receives his initial certification in Louisiana, either by reciprocity from another state or by initial certification, he will be required to meet during the remainder of the three-year period,
 - 1) 80 hours of continuing education if the initial certification occurred during the first year of a certain three-year period,
 - 2) 40 hours of continuing education if the initial certification occurred during the second year of a certain three-year period, and
 - 3) 0 hours of continuing education if the initial certification occurred during the third year of a certain three-year period.

2. complete at least 32 hours of the total requirement in accounting-related or auditing-related programs.
 3. complete at least 24 hours of acceptable continuing education each calendar year.
- B. Measurement is to be in full hours only.
1. A 50-minute period is to be considered a full hour.
 2. Only class hours or the equivalent are to be counted and not time that is
 - a. spent on preparation,
 - b. non-productive, such as travel time, lunch time, etc.

II. Programs Which Qualify

- A. In order to qualify for continuing education credit, a program must be a formal program of learning which contributes directly to the professional competency of an individual after he has become a CPA.
- B. The following general subject areas are considered acceptable if they contribute to the professional competency of the individual CPA:
1. Accounting
 2. Administrative Practices, e.g., engagement letters, fee structure, personnel
 3. Auditing
 4. Business Law
 5. Communicative Arts, e.g., report writing, letter writing, communication theory
 6. Computer Sciences
 7. Economics
 8. Functional Fields of Business, e.g., Finance, Marketing, Management
 9. Management Services
 10. Mathematics, Statistics, etc.
 11. Social Environment of Business

12. Specialized Areas of Industry, e.g., Farming, Real Estate, Insurance
 13. Taxation
 14. Others, if the applicant can convince the Board that they contribute to his professional competency.
- C. In order for a formal program to qualify,
1. it must require attendance.
 2. an outline must be prepared in advance and retained.
 3. it must be at least one hour (50-minutes) in length.
 4. it must be conducted by a qualified instructor.
 5. a record of registration or attendance must be maintained.
- D. If the programs meet the conditions set out in paragraphs II.A., II.B., and II.C. above, the following types of formal programs are deemed to qualify:
1. Professional development programs of the AICPA and state societies or chapters.
 2. Technical sessions at meetings of other accounting organizations, e.g., NAA, AAA
 3. Technical sessions at meetings of other professional organizations whose purpose is related to accounting.
 4. University or college credit courses.
 5. University or college non-credit short courses.
- E. Other types of programs which sometimes qualify are:
1. In-firm education programs, provided that,
 - a. the programs meet all conditions of paragraphs II.A., II.B., and II.C. above.
 - b. an outline of the program is approved in advance by the Board.
 - c. the program is open to all Louisiana CPAs (a reasonable fee may be charged).
 - d. discussion time of matters that are of strictly administrative or firm matters is not counted.

2. Formal correspondence or individual self-study programs, provided that,
 - a. they meet the conditions of paragraphs II.A., and II.B. above.
 - b. registration is required.
 - c. evidence of satisfactory completion is provided.
 - d. the amount of credit to be granted will be determined by the Board on an individual basis.
 - e. a maximum of 25 percent of the basic requirement is met by this method. Excess hours may not be carried over to future periods.
3. Service as a lecturer or discussion leader (excluding repetitious presentations).
4. Service as an accounting educator (excluding repetitious presentations).
5. Published books and articles (a maximum of 25 percent of the basic requirement can be met by this method).

F. Some programs which do not qualify are:

1. Programs that do not meet the conditions of paragraphs II.A., II.B., or II.C. above.
2. Programs taken before January 1, 1976.
3. Programs taken before a CPA's initial certification in Louisiana.
4. Informal self-study programs.
5. Repeated programs, unless there has been a substantial change in the program content, and then such programs qualify only to the extent of the change.

III. Amount of Credit

- A. Continuing education credit for programs which qualify will be equal to actual hours of attendance,
 1. at professional development programs of the AICPA and state societies or chapters.
 2. at technical sessions of other accounting organizations.

3. at programs of other professional societies whose purpose is related to accounting.
 4. at university or college non-credit courses.
 5. at formal organized in-firm education programs.
 6. for service as a lecturer or discussion leader.
- B. Continuing education credit will be 15 hours per semester hour or 10 hours per quarter hour,
1. for satisfactory completion of university or college credit courses.
 2. for teaching accounting courses at a university or college.
- C. Continuing education credit will be determined on an individual basis by the Board,
1. for qualifying formal correspondence or individual self-study programs.
 2. for published books and articles.

IV. Controls and Reporting

- A. The applicant for renewal of the certificate to practice as a certified public accountant in Louisiana shall report his participation to the Board, on the form provided,
1. annually.
 2. by January 31.
 3. for the preceeding calendar year.
- B. The information which must be provided is,
1. a signed statement, under penalty of perjury, certifying that the information which is being provided is valid and accurate.
 2. the name of the organization which sponsored each program attended.
 3. the location of each program attended.
 4. the title of each program attended.
 5. a brief description of each program attended.
 6. the name of the principal instructor of each program attended.

7. the dates of each program attended.
8. the hours of continuing education credit claimed for each program attended (see Section III for applicable hours).
9. details of programs for which the Board must determine the amount of credit on an individual basis (see paragraph III.C.).
10. evidence of all programs attended and of satisfactory completion, when applicable. (Such evidence may include, but is not limited to, the initials of the principal instructor of the program, on the continuing education report, next to the instructor's name).

V. Carryovers and Deficiencies

- A. A maximum of 40 hours of excess continuing education credit may be carried over from one three-year period to the next, but such carryovers will not reduce,
 1. the minimum number of hours that must be met each year (see paragraph I.A.3).
 2. the minimum number of hours that must be met in accounting-related or auditing-related programs during each three-year period (see paragraph I.A.2).
- B. Any number of excess continuing education credit hours may be carried over from one annual period to the next within a certain three-year measuring period, but such carryovers will not reduce the minimum number of hours that must be met each year (see paragraph I.A.3).
- C. A deficiency in the minimum number of hours that must be met each year (see paragraph I.A.3) will,
 1. have to be made up within one month after notification of the deficiency by the Board. (Hours used to satisfy the deficiency must be in addition to the normal requirements of the period in which the deficiency is satisfied).
 2. result in a fine, the amount of which will be determined on an individual basis by the Board, but will not exceed,
 - a. \$250 for first offenders.
 - b. \$1,000 for repeat offenders.

- D. A deficiency in the minimum number of hours met in accounting-related or auditing-related programs (see paragraph I.A.2),
1. will have to be made up within three months after notification of the deficiency by the Board. (Hours used to satisfy the deficiency must be in addition to the normal requirements of the period in which the deficiency is satisfied).
 2. will result in a fine, the amount of which will be determined on an individual basis by the Board, but will not exceed,
 - a. \$250 for first offenders.
 - b. \$1,000 for repeat offenders.
- E. A deficiency in the total number of hours participated in during a three-year measuring period (see paragraph I.A.1),
1. will have to be made up within one year after the period in which the deficiency occurred. (Hours used to satisfy the deficiency must be in addition to the normal requirements of the period in which the deficiency is satisfied).
 2. will result in a fine and/or suspension. The amount of the fine and/or the length of the suspension will be determined on an individual basis by the Board, but will not exceed the following limitations:
 - a. For a fine only,
 - 1) \$500 for first offenders.
 - 2) \$2,000 for repeat offenders.
 - b. For suspensions only,
 - 1) three-months for first offenders.
 - 2) six-months for repeat offenders.
 - c. For both a fine and suspension,
 - 1) \$500 and three-months for first offenders.
 - 2) \$2,000 and six-months for repeat offenders.

3. will result in revocation of the certificate to practice accountancy in Louisiana,
 - a. if the deficiency is not made up as directed by the Board.
 - b. if any fines are not paid when due.
 - c. if any conditions of suspensions as directed by the Board are not adhered to.
- F. Any licensee found deficient in meeting the continuing education requirements shall have the right,
 1. to have a formal notification, in writing, of the deficiency.
 2. to request a hearing by the Board before any fine or suspension is enforced.
 3. to request a reconsideration by the Board of any suspension or revocation after all deficiencies have been satisfied and all fines have been paid.
 4. to appeal any fines, suspensions, or revocations in a court of law.
 5. to have his certificate to practice accountancy in Louisiana restored at some future date if it has been revoked for non-compliance with CCE requirements but he must first,
 - a. pay any unpaid fines which had been levied by the Board prior to the revocation of his certification.
 - b. participate in at least 40 hours of continuing education during the six-month period immediately following his application to the Board for restoration of his certificate.
 - c. pay any renewal fees and delinquency fees which would have been paid had he renewed his certificate annually.
 - d. meet any other requirements that the Board deems necessary under the circumstances.

CONTINUING EDUCATION REPORT TO THE
STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANTS OF LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 19____

Sponsoring Organization	Sponsoring Organization
Location (City and State)	Location (City and State)
Title of Program	Title of Program
Description of Program	Description of Program
Name of Principal Instructor	Name of Principal Instructor
Dates of Program (From and To)	Dates of Program (From and To)
Hours of Credit Claimed: Accounting and Auditing _____; Other _____	Hours of Credit Claimed: Accounting and Auditing _____; Other _____
Was Program Self-Study (Yes or No)?	Was Program Self-Study (Yes or No)?

I certify, under penalty of perjury, that the information presented in this report, including any supporting evidence, is valid, and that the number of hours of continuing education credit claimed is in accordance with the compulsory continuing education rules and regulations of the State Board of Certified Public Accountants of Louisiana.

Signature _____ C.P.A. Date _____

CHAPTER VI

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

In Chapter VI, the study of the compulsory continuing education concept for certified public accountants is summarized and several conclusions which were drawn during the study are presented. The chapter finally concludes the study with some recommendations for further research into the area of compulsory continuing education for certified public accountants.

Summary and Conclusions

The major objective of this study has been the development of a model program of compulsory continuing education for Louisiana certified public accountants. The model program which can be found in Chapter V was developed from information gathered from several sources. The main source of information came from the results of a continuing education questionnaire which the author developed and mailed to nearly all members of the Society of Louisiana Certified Public Accountants. A reproduction of the questionnaire can be found in Appendix E. After answering certain biographical questions, respondents to the questionnaire were asked to give their opinion about (1) a suggested continuing education definition, (2) whether continuing education should be compulsory, voluntary, or left entirely up to the individual CPA, and (3) selected features which could be included in a CCE program.

The responses of the CPAs can be found in Appendix F. Certain of the responses to the questionnaire were selected for further analysis of responses given by various groups of CPAs. The differences in the responses by groups were tested for significance using the chi-square test. Results of the chi-square tests which were conducted can be found in Tables 3 through 28 in Chapter IV. Nearly two-thirds of the respondents favored the concept of compulsory continuing education for CPAs.

The next major source of data which was used in the development of the model CCE program was compulsory and voluntary continuing education programs of those states which have adopted such programs. During two surveys conducted in 1973 and 1974, the author found that a very strong trend toward CCE for CPAs exists in the United States. Whereas, in 1973 only six states had CCE programs required by legislation and two additional states had programs required by State Board regulation, in 1974, 13 states had CCE programs required by legislation and one state had a CCE program required by State Board regulation. The findings of the two surveys of the state societies of certified public accountants can be found in Tables 1 and 2 in Chapter II. In addition, the surveys revealed that several states have voluntary continuing education programs. Copies were obtained of nearly all of the compulsory and voluntary programs which were in existence in 1974. The programs were reviewed in detail for similarities and differences. The discussion of these similarities and differences among the various continuing education programs can be found in Chapter III. Selected features of the programs of other states were used in the development of the continuing education questionnaire

which was sent to members of the SICPA. Certain of the features were used in the analysis of the questionnaire responses in Chapter IV and some of the features were included in the model CCE program which was developed in Chapter V.

A third source of data which was used in the development of the model program was the arguments for and against the CCE concept. These arguments which are summarized in Chapter II were mostly obtained from the literature and represent opinions of CPAs throughout the United states and also opinions of learned authors. Other arguments for and against the CCE concept were obtained in personal discussions with certain CPAs and colleagues and from written comments of the respondents to the continuing education questionnaire. The arguments which are made in favor of and against the CCE concept were given careful consideration in the selection of certain features which are included in the model program of CCE for CPAs.

Other sources of data which were used in the development of the model CCE program were (1) questionnaires and other data supplied by the AICPA and certain state societies, (2) comments and suggestions of colleagues, and (3) opinions of the author.

Some major conclusions which were made during the survey are, first, that there is a definite need for CPAs to continue their education. Because statistics indicate that most CPAs do not do so voluntarily, a second conclusion is that continuing education programs should be made compulsory. Thirdly, it has been concluded that in most states, the majority of CPAs recognize the need for CCE and support the concept of CCE for CPAs.

Another conclusion drawn from the survey is that CPAs in

Louisiana recognize the need for and support the concept of CCE for CPAs. Nearly two-thirds of the respondents agreed with CCE requirements being imposed at some level, although, there was a great deal of disagreement regarding the level at which CCE requirements should be imposed. Based upon the experiences of two states which originally required CCE by State Board regulation and later found it necessary to pass specific legislation supporting the State Board's actions, it has been concluded that, if possible, it is best to require CCE by state law rather than simply by State Board edict, because, it is easier to effect enforcement of a specific law which requires CPAs to engage in CCE than to effect enforcement of a State Board edict that requires the same thing.

Recommendations

The current study was limited to the development of a model program of CCE for Louisiana CPAs. Because of certain budgetary and time constraints, implementation of the CCE program was not made a part of the study. The survey of Louisiana CPAs revealed that nearly two-thirds (65%) of the CPAs support the concept of CCE for Louisiana CPAs. Therefore, it is recommended that the State Board take action to try to have legislation passed which will make CCE required of all Louisiana CPAs. In lieu of specific legislation to that effect, it is recommended that the State Board, on its own initiative, pass regulations which require all Louisiana CPAs to participate in CCE as a condition precedent to the annual renewal of the certificate to practice accountancy in Louisiana.

One feature which was included in the model program, but which

was opposed by the majority of the respondents to the continuing education questionnaire, is that in-firm education programs should be open to all Louisiana CPAs if they are to be considered acceptable programs for CCE credit. Only very limited data was available to the author regarding why the majority of the CPAs opposed this idea. Further research into this area seems appropriate to determine the causes of the opposition to that idea which was included in the model program as a control over in-firm education programs. Theoretically, allowing all CPAs to attend in-firm education programs would seem to be a great benefit to the entire CPA profession and to the public. The individual CPAs would have a broader number of continuing education courses from which to choose. Also, some benefit would be derived from the interchange of ideas among members of different CPA firms, industry, government, education, etc. The members of the firm which conducts the program would benefit because the program would have to be better planned and better presented. Also, they would benefit from the discussion with others in attendance who are not members of the firm. The firm would benefit because some of the cost of conducting the program would be borne by those in attendance who are not firm members since a reasonable fee could be charged to outsiders. Finally, the public would benefit because the CPAs who perform services for the public would be better educated and better able to perform those services. Yet, with all those theoretical benefits from allowing outside CPAs to attend in-firm education programs, the majority of the respondents to the questionnaire did not agree that the in-firm education programs should be open to all CPAs. Further work seems appropriate in this area to (1) find out why the majority of CPAs

oppose that idea, and (2) to obtain support for the idea if it is found to be feasible.

Although nearly all states have some ongoing study into the compulsory continuing education concept, most states have not yet passed a CCE requirement for CPAs. Surveys similar to the one performed in this study would be appropriate in those states to determine the opinions of the CPAs in those states regarding the CCE concept and to develop CCE programs for them.

One problem with the CCE programs as they have developed in the United States is the lack of uniformity among the programs and the problems that such lack of uniformity has caused to CPAs who are certified in more than one state. This problem was discussed in Chapter III. Further work seems appropriate in trying to get the programs standardized in all states.

In Chapter II, it was revealed that other professions are just now beginning to study the concept of compulsory continuing education for their members. Although the medical profession was a leader in requiring continuing education for membership in certain of its specialty academies, little has been done to require continuing education as a condition precedent to the continued practice of medicine by the individual medical doctors. The legal profession is also just now starting to consider the concept of compulsory continuing education for its members. Much work is still needed by both of these professions and others regarding the continuing education of members of all of the professions.

Finally, there is a need to look into the possibility of periodically retesting members of all professions to determine if they

are still educationally qualified to perform the services for which they are licensed. Although this idea is not popular with very many professionals, it would seem appropriate for the protection of the public.

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APPENDIX A

**AICPA COUNCIL-APPROVED RESOLUTION
ON CONTINUING EDUCATION**

AICPA COUNCIL-APPROVED RESOLUTION
ON CONTINUING EDUCATION

WHEREAS, the explosion of knowledge and the increasing complexity of practice make it essential that certified public accountants continue to develop their competence, and

WHEREAS, the public interest requires that certified public accountants provide competent service in all areas of their practice, and

WHEREAS, formal programs of continuing education provide certified public accountants with the opportunity to maintain and improve their competence

THEREFORE BE IT RESOLVED that the Council of the American Institute of Certified Public Accountants urges each of the several states to institute a requirement, by legislation or regulation as may be appropriate, that certified public accountants demonstrate that they are continuing their professional education as a condition precedent to the reregistration, renewal of permit to practice, or other validation of a CPA's designation.

FURTHER BE IT RESOLVED that the National Association of State Boards of Accountancy be asked to consider this resolution with a view to lending its support.

FURTHER BE IT RESOLVED that in the interest of uniformity the Council urges each of the several states to adopt the guidelines attached to the report of the committee on continuing education.

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APPENDIX B

**GUIDELINES RECOMMENDED IN AICPA RESOLUTION
ON CONTINUING EDUCATION FOR ADOPTION BY STATES**

GUIDELINES RECOMMENDED IN AICPA RESOLUTION
ON CONTINUING EDUCATION FOR ADOPTION BY STATES

I. Basic Requirement

- A. In the three-year period immediately preceding reregistration, the applicant must have completed 120 hours or 15 days of acceptable continuing education (a one-day program should be considered to equal eight hours).
 - 1. Measurement is in full hours only (a 50-minute period equals one hour).
 - 2. Only class hours or the equivalent (and not hours devoted to preparation) are counted.
 - 3. Service as lecturer or discussion leader will be included to the extent that it contributes to his professional competency (repetitious presentations should not be counted).
- B. The effective date of the requirement should be three years after its adoption. With respect to any individual, the regulation should become effective on the effective date of the requirement or three years after his initial registration whichever is later.
- C. The board of accountancy should have authority to make exceptions for reasons of health, military service, foreign residency, retirement, etc.

II. Programs Which Qualify

- A. The overriding consideration in determining whether a specific program qualifies is that it should be a "formal program of learning which contributes directly to the professional competency of an individual after he has been licensed to practice public accounting."
- B. Formal programs requiring class attendance should qualify only if:
 - 1. An outline is prepared in advance and preserved.
 - 2. The program is at least one hour (50-minute periods) in length.
 - 3. The program is conducted by a qualified instructor.
 - 4. A record of registration or attendance is maintained.

- C. The following are deemed to qualify provided the above are met:
1. Professional development programs of the AICPA and the state societies.
 2. Technical sessions at meetings of AICPA, state societies and chapters.
 3. University or college courses
 - (a) Credit courses--each semester hour credit shall equal 15 hours toward the requirement. A quarter hour credit shall equal 10 hours.
 - (b) Non-credit short courses
 4. Formal organized in-firm educational programs
 5. Programs in other organizations (accounting, industrial, professional, etc.)
- D. Formal correspondence or other individual study programs which require registration and provide evidence of satisfactory completion will qualify with the amount of credit to be determined by the Board of Accountancy.

III. Controls and Reporting

- A. The candidate should provide a signed statement of the continuing education in which he has participated showing:
1. Sponsoring organization
 2. Location of course
 3. Title and/or description of content
 4. Dates attended
 5. Hours claimed

APPENDIX C

BASIC REQUIREMENTS OF STATES
WITH CONTINUING EDUCATION PROGRAMS
REQUIRED BY LEGISLATION OR REGULATION
AS OF DECEMBER 31, 1974

BASIC REQUIREMENTS OF STATES
WITH CONTINUING EDUCATION PROGRAMS
REQUIRED BY LEGISLATION OR REGULATION
AS OF DECEMBER 31, 1974

Name of State	Program Required By	Basic Requirement of CCE Programs *
1. Alabama	Legislation	96 hours in a three-year period
2. California	Legislation	80 hours in a two-year period
3. Colorado	Legislation	120 hours in a three-year period
4. Florida	Legislation	90-120 hours in a three-year period
5. Hawaii	Legislation	40 hours per year
6. Iowa	Legislation	Not yet determined
7. Kansas	Legislation	40 hours per year
8. Nebraska	Legislation	15 days in a three-year period
9. Nevada	Legislation	80 hours in a two-year period
10. North Dakota	Regulation	120 hours or 15 days in a three-year period
11. Ohio	Legislation	120 hours in a three-year period
12. South Carolina	Legislation	30-40 hours in a two-year period
13. South Dakota	Legislation	96 hours in a three-year period
14. Washington	Legislation	120 hours in a three-year period

* After any initial start-up requirements

APPENDIX D

**BASIC REQUIREMENTS OF STATES WITH
VOLUNTARY CONTINUING EDUCATION PROGRAMS
AS OF DECEMBER 31, 1974**

BASIC REQUIREMENTS OF STATES WITH
VOLUNTARY CONTINUING EDUCATION PROGRAMS
AS OF DECEMBER 31, 1974

Name of State	Basic Requirement of Voluntary Continuing Education Programs*
1. Arizona	None specified
2. Connecticut	40 hours per year
3. Louisiana	40 hours per year
4. Maine	Program was not available for review
5. Mississippi	15 days in a three-year period
6. New Mexico	120 hours in a three-year period
7. New York	None specified
8. North Carolina	40 hours per year
9. Oklahoma	120 hours in a three-year period
10. Pennsylvania	80 hours or 10 days in a two-year period
11. Rhode Island	120 hours or 15 days in a three-year period
12. Tennessee	120 hours in a three-year period
13. Texas	40 hours per year
14. Wisconsin	80 hours in a two-year period

*After any initial start-up requirements

APPENDIX E

**REPRODUCTION OF CONTINUING EDUCATION
QUESTIONNAIRE AND COVER LETTER**

Maurice F. Tassin, Jr.
Louisiana State University
Post Office Box 23841
Baton Rouge, Louisiana 70803

Dear Fellow Accountant:

Did you know that in the past four years at least 14 states have passed laws or regulations making participation in continuing education mandatory for certified public accountants and that several other states are preparing such legislation now? To my knowledge, Louisiana is not yet preparing such legislation. However, if the trend continues, it probably will not be too many more years until Louisiana also makes continuing education mandatory for its CPAs.

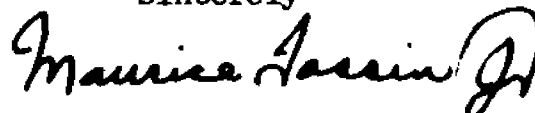
The purpose of this questionnaire is to obtain your views as to what features you would like to see in a continuing education program which is designed for Louisiana CPAs. This research is not being done for the preparation of any legislation to make continuing education mandatory. The research is for part of a dissertation I am writing as one of the degree requirements for the PhD in Accounting degree I am seeking at L.S.U.

Please assist me in this project by answering the questionnaire promptly and returning it to me in the enclosed self-addressed envelope. All responses will be held in strictest confidence. The return envelopes are numbered to facilitate follow-up only. My budget for this project is quite limited so I will appreciate it greatly if you will respond on the first mailing and help to reduce the cost of the follow-up mailings.

The questionnaire is designed so that all required answers are very short. Some responses require only a check mark. In Part II, the statements require you to express your opinion about the statement by placing a number from one to five in the box provided. Pre-testing of the questionnaire has revealed that most CPAs can complete it in about 15 minutes.

Thank you very much for assisting me in this project.

Sincerely

A handwritten signature in dark ink, appearing to read "Maurice Tassin Jr." with a stylized flourish at the end.

Maurice F. Tassin, Jr.

CONTINUING EDUCATION STUDY

I. GENERAL INFORMATION

1. Approximately how many years have you been a CPA? _____ years
2. Approximately how many years of public accounting experience have you had? _____ years
3. Are you currently a practicing CPA? _____ yes, _____ no
4. Are you a member of the AICPA? _____ yes, _____ no
5. Are you currently living in Louisiana? _____ yes, _____ no
a. If no, where are you living? _____
6. Is your primary place of employment located in a city or town with a population of at least 25,000? _____ yes, _____ no
7. Approximately how far is your primary place of employment from the nearest university or college? _____ miles
8. Is your primary employment with a CPA firm? _____ yes, _____ no
a. If no, is it in: _____ industry, _____ government, _____ education, _____ other (please specify) _____

IF YOU ARE CURRENTLY EMPLOYED WITH A CPA FIRM IN LOUISIANA, PLEASE CONTINUE WITH QUESTION 9, OTHERWISE SKIP TO QUESTION 16.

9. Is your firm: _____ a "Big-Eight" firm
_____ a national non-big-eight firm
_____ a local firm
10. Approximately how many CPAs are there in your firm in Louisiana? _____ CPAs
11. Approximately how many of the CPAs are partners? _____ partners
12. Does your firm conduct professional development programs for its members? (If no, skip number 14) _____ yes, _____ no
13. Does your firm allow CPAs who are members of other firms to attend its in-firm professional development programs? _____ yes, _____ no
14. Does your firm allow its members time-off for attendance at professional development programs outside the firm? _____ yes, _____ no
15. What expenses of outside-of-firm professional development programs does your firm pay for its members? _____ all, _____ none, _____ travel, _____ tuition, _____ meals, _____ lodging, _____ other (please specify) _____
16. Approximately how many hours of continuing education did you participate in during the 12-month period ended September 30, 1974? _____ hours
17. Approximately how many hours of your participation were in professional development programs conducted away from your primary place of employment? _____ hours

IN PART II BELOW, PLEASE INDICATE YOUR AGREEMENT OR DISAGREEMENT WITH THE STATEMENTS BY USING THE FOLLOWING SCALE IN THE BOXES FOLLOWING EACH STATEMENT:

1 = Strongly Agree, 2 = Agree, 3 = Undecided, 4 = Disagree, 5 = Strongly Disagree

II. CONTINUING EDUCATION

1. A good definition of continuing education is, "formal programs of learning which contribute directly to the professional competency of an individual after he has become a CPA." / /
 - a. If you disagree with the definition, how would you amend it?

2. Continuing education should be
 - a. required by federal law / /
 - b. required by Louisiana law / /
 - c. required by State Board regulation / /
 - d. required by Accounting Codes of Ethics / /
 - e. required for AICPA membership / /
 - f. required for Louisiana CPA Society membership / /
 - g. voluntary, with participation reported to the Louisiana CPA Society / /
 - h. left entirely up to the individual CPA / /

REGARDLESS OF YOUR ANSWERS TO STATEMENT 2, PLEASE ASSUME FOR THE REMAINING STATEMENTS THAT CONTINUING EDUCATION IS REQUIRED BY LOUISIANA LAW.

3. The State Board is the proper authority to regulate continuing education . . . / /
4. The penalty for failure to meet the continuing education requirements in a specified period should be
 - a. loss of all CPA rights and privileges / /
 - b. loss of the right to practice / /
 - c. loss of the right to express an opinion on statements / /
 - d. other (please specify) -----
5. In order to be reinstated after being penalized for failing to meet continuing education requirements, the CPA should be required to
 - a. make up the continuing education that he was lacking / /
 - b. make up a greater amount of continuing education than he was lacking / /
 - c. retake and pass the CPA Exam / /
 - d. take and pass a special exam designed for that purpose / /
 - e. other (please specify) -----
6. Exceptions to continuing education requirements should be allowed for
 - a. age / /
 - b. retirement / /
 - c. poor health / /
 - d. foreign residence / /
 - e. out-of-state residence / /
 - f. CPAs not currently in public practice / /
 - g. extended military service / /
 - h. practitioners who perform only administrative duties / /
 - i. CPAs who practice in tax areas only / /
 - j. CPAs who practice in management services only / /
 - k. accounting educators / /

7. If an exception is allowed for age, the minimum age for the exception should be 65 years old / /
8. The basic continuing education requirement should be 120 hours in a three-year period / /
- a. If you disagree, what should it be? _____
9. The minimum amount of continuing education that should be allowed in any one year should be 32 hours / /
- a. If you disagree, what should it be? _____
10. CPAs should only be allowed to meet 50% of the basic requirement in their area of specialization / /
- a. If you disagree, what percentage of the basic requirement should be allowed in the area of specialization? _____ %
11. CPAs should be required to meet at least 25% of the basic requirement in accounting and auditing areas / /
- a. If you disagree, what percentage of the basic requirement should be required in accounting and auditing areas? _____ %
12. In order to demonstrate that they have kept up, CPAs should be required to periodically take and pass
- a. the CPA Exam / /
- b. a special exam prepared for that purpose / /
13. In lieu of meeting the continuing education requirements, CPAs should be allowed to take and pass
- a. the CPA Exam / /
- b. a special exam prepared for that purpose / /
14. If a special exam is required or allowed in lieu of meeting continuing education requirements, the exam should be prepared and graded by the
- a. AICPA / /
- b. State Board / /
- c. Louisiana CPA Society / /
- d. Other (please specify) _____
15. Each of the following general subject areas are acceptable for meeting continuing education requirements:
- a. Accounting and Auditing / /
- b. Administrative Practices / /
- c. Business Law / /
- d. Communicative Arts / /
- e. Computer Sciences / /
- f. Economics / /
- g. Finance, Marketing, or Management / /
- h. Management Services / /
- i. Mathematics, Statistics, etc. / /
- j. Social environment of business / /
- k. Specialized areas of industry (e.g., Farming, Real Estate, Insurance) / /
- l. Taxation / /
- m. Other (please specify) _____

16. The following types of study are acceptable for meeting continuing education requirements:
- a. Professional development programs of the AICPA and state societies or chapters /
 - b. Technical sessions at meetings of other accounting organizations /
 - c. Technical sessions at meetings of other professional societies whose purpose is related to accounting /
 - d. University or college credit courses /
 - e. University or college non-credit short courses /
 - f. Formal organized in-firm education programs (excluding those of solely administrative or firm matters) /
 - g. Formal correspondence or individual self-study programs which require registration and which provide evidence of satisfactory completion /
 - h. Informal self-study /
 - i. Service as a lecturer or discussion leader (excluding repetitious presentations) /
 - j. Service as an accounting educator (excluding repetitious presentations) /
17. A CPA should be required to pass an exam at the end of a professional development program to show that he has gotten something out of the program /
18. If in-firm professional development programs are allowed
- a. an outline must be prepared in advance and retained /
 - b. an outline must be approved in advance by the continuing education regulating committee /
 - c. the program must be open to all CPAs (a reasonable fee may be charged to outsiders) /
19. If formal and/or informal self-study is allowed, a maximum of 10% of the total continuing education requirement may be met through self-study /
- a. If you disagree, a maximum of what percentage of the requirement should be allowed? /
20. If informal self-study is allowed, the CPA must submit a synopsis of the material studied to receive continuing education credit /
21. Continuing education
- a. credit for informal self-study should be limited to a maximum of one-hour per program /
 - b. credit for formal correspondence courses should be determined on an individual basis /
 - c. credit for published books and articles should be determined on an individual basis /
 - d. credit for service as a lecturer or discussion leader should be double the credit given to a CPA in attendance (excluding repetitious presentations) /
 - e. credit for service as an accounting educator should be double the credit given to a student in his classes (excluding repetitious presentations) /
 - f. credit for university or college credit courses should be 15 hours per semester hour or 10 hours per quarter hour /
 - g. credit should be equal to actual hours of attendance at
 - 1. professional development programs of the AICPA and state societies /
 - 2. acceptable technical sessions at meetings of professional organizations whose purpose is related to accounting /
 - 3. in-firm professional development programs /
 - h. If you disagree with any part of the question, please indicate your opinion here. /

22. A CPA should be required to report his participation in continuing education annually / /
- a. If you disagree, how often should it be reported? _____
-
23. A CPA should
- a. be required to sign a sworn statement about the continuing education credit claimed / /
- b. be required to submit evidence for all continuing education credit claimed / /
- c. be allowed to claim continuing education credit without submitting evidence or signing a sworn statement / /
- d. other (please specify) _____
-
24. If a CPA deliberately claims an excess amount of continuing education credit, he should
- a. be allowed to simply amend his claim without penalty / /
- b. lose his license to practice as a CPA / /
- c. lose all CPA rights and privileges / /
- d. be tried in a court of law for perjury / /
- e. be tried for a Code of Ethics violation / /
- f. other (please specify) _____
-
25. If you have any comments or suggestions about compulsory continuing education, please use the following space to express your comments.

THANK YOU FOR COMPLETING THE QUESTIONNAIRE. PLEASE RETURN IT TO ME IN THE ENCLOSED SELF-ADDRESSED ENVELOPE.

APPENDIX F

FREQUENCY OF RESPONSES TO QUESTIONNAIRE ITEMS

APPENDIX F

FREQUENCY OF RESPONSES TO QUESTIONNAIRE ITEMS

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
I.1	Approximately how many years have you been a CPA?			
	1	228	38.84	0 - 5 years
	2	235	40.03	6 - 15 years
	3	<u>124</u>	<u>21.12</u>	over 15 years
	Totals	587	100.00	
I.2	Approximately how many years of public accounting experience have you had?			
	1	262	44.63	0 - 5 years
	2	194	33.05	6 - 15 years
	3	<u>131</u>	<u>22.32</u>	over 15 years
	Totals	587	100.00	
I.3	Are you currently a practicing CPA?			
	1	373	63.54	yes
	2	<u>214</u>	<u>36.46</u>	no
	Totals	587	100.00	
I.4	Are you a member of the AICPA?			
	1	535	91.14	yes
	2	<u>52</u>	<u>8.86</u>	no
	Totals	587	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
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I.5 Are you currently living in Louisiana?

18	501	85.35	yes
99	<u>86</u>	<u>14.65</u>	no
Totals	587	100.00	

I.6 Is your primary place of employment located in a city or town with a population of at least 25,000?

1	520	88.89	yes
2	<u>65</u>	<u>11.11</u>	no
Totals	585	100.00	

I.7 Approximately how far is your primary place of employment from the nearest university or college?

1	503	85.69	0 - 10 miles
2	<u>84</u>	<u>14.31</u>	over 10 miles
Totals	587	100.00	

I.8 Is your primary employment with a CPA firm?

1	344	58.70	yes
2	<u>242</u>	<u>41.30</u>	no
Totals	586	100.00	

I.8a If no, is it in:

1	151	62.66	industry
2	16	6.64	government
3	39	16.18	education
4	<u>35</u>	<u>14.52</u>	other
Totals	241	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
I.9	Is your firm:			
	1	50	15.82	a "Big-Eight" firm
	2	21	6.65	a national non-big-eight firm
	3	<u>245</u>	<u>77.53</u>	a local firm
	Totals	316	100.00	
I.10	Approximately how many CPAs are there in your firm in Louisiana?			
	1	221	70.16	1 - 10
	2	<u>94</u>	<u>29.84</u>	over 10
	Totals	315	100.00	
I.11	Approximately how many of the CPAs are partners?			
	1	112	36.01	1 - 2 partners
	2	93	29.90	3 - 4 partners
	3	50	16.08	5 - 6 partners
	4	27	8.68	7 - 8 partners
	5	<u>29</u>	<u>9.33</u>	over 8 partners
	Totals	311	100.00	
I.12	Does your firm conduct professional development programs for its members?			
	1	153	49.20	yes
	2	<u>158</u>	<u>50.80</u>	no
	Totals	311	100.00	
I.13	Does your firm allow CPAs who are members of other firms to attend its in-firm professional development programs?			
	1	11	7.43	yes
	2	<u>137</u>	<u>92.57</u>	no
	Totals	148	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
I.14	Does your firm allow its members time-off for attendance at professional development programs outside the firm?			

1	291	95.10	yes
2	<u>15</u>	<u>4.90</u>	no
Totals	306	100.00	

I.15	What expenses of outside-of-firm professional development programs does your firm pay for its members?			
------	--	--	--	--

1	254	78.64	all
2	13	4.02	none
3	<u>56</u>	<u>17.34</u>	some
Totals	323	100.00	

I.16	Approximately how many hours of continuing education did you participate in during the 12-month period ended September 30, 1974?			
------	--	--	--	--

1	182	31.01	0 - 8 hours
2	158	26.92	9 - 24 hours
3	118	20.10	25 - 40 hours
4	<u>129</u>	<u>21.98</u>	over 40 hours
Totals	587	100.00	

I.17	Approximately how many hours of your participation were in professional development programs conducted away from your primary place of employment?			
------	--	--	--	--

1	240	40.89	0 - 8 hours
2	170	28.96	9 - 24 hours
3	110	18.74	25 - 40 hours
4	<u>67</u>	<u>11.41</u>	over 40 hours
Totals	587	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.1	A good definition of continuing education is, "formal programs of learning which contribute directly to the professional competency of an individual after he has become a CPA."			
	1	147	25.39	strongly agree
	2	333	57.51	agree
	3	22	3.80	undecided
	4	63	10.88	disagree
	5	<u>14</u>	<u>2.42</u>	strongly disagree
	Totals	579	100.00	
II.2a	Continuing education should be required by federal law.			
	1	11	1.96	strongly agree
	2	26	4.69	agree
	3	17	3.05	undecided
	4	114	20.47	disagree
	5	<u>389</u>	<u>69.84</u>	strongly disagree
	Totals	557	100.00	
II.2b	Continuing education should be required by Louisiana law.			
	1	32	5.75	strongly agree
	2	67	12.03	agree
	3	42	7.54	undecided
	4	154	27.65	disagree
	5	<u>262</u>	<u>47.04</u>	strongly disagree
	Totals	557	100.00	
II.2c	Continuing education should be required by State Board regulation.			
	1	95	17.00	strongly agree
	2	187	33.45	agree
	3	65	11.63	undecided
	4	83	14.85	disagree
	5	<u>129</u>	<u>23.08</u>	strongly disagree
	Totals	559	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.2d	Continuing education should be required by Accounting Codes of Ethics.			
	1	63	11.35	strongly agree
	2	143	25.77	agree
	3	81	14.60	undecided
	4	126	22.70	disagree
	5	<u>142</u>	<u>25.59</u>	strongly disagree
	Totals	555	100.00	

II.2e	Continuing education should be required for AICPA membership.			
	1	84	15.08	strongly agree
	2	165	29.62	agree
	3	63	11.31	undecided
	4	120	21.54	disagree
	5	<u>125</u>	<u>22.44</u>	strongly disagree
	Totals	557	100.00	

II.2f	Continuing education should be required for Louisiana CPA Society membership.			
	1	88	15.74	strongly agree
	2	173	30.95	agree
	3	64	11.45	undecided
	4	112	20.04	disagree
	5	<u>122</u>	<u>21.83</u>	strongly disagree
	Totals	559	100.00	

II.2g	Continuing education should be voluntary, with participation reported to the Louisiana CPA Society.			
	1	96	17.20	strongly agree
	2	133	23.84	agree
	3	56	10.04	undecided
	4	183	32.80	disagree
	5	<u>90</u>	<u>16.13</u>	strongly disagree
	Totals	558	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.2h	Continuing education should be left entirely up to the individual CPA.			
	1	75	13.51	strongly agree
	2	58	10.45	agree
	3	52	9.37	undecided
	4	191	34.41	disagree
	5	<u>179</u>	<u>32.25</u>	strongly disagree
	Totals	555	100.00	
II.2a-c	Continuing education should be required by federal law, Louisiana law, or State Board regulation.			
	1	294	52.13	strongly agree or agree
	3	4	0.71	undecided
	5	<u>266</u>	<u>47.16</u>	disagree or strongly disagree
	Totals	564	100.00	
II.2a-d	Continuing education should be required by federal law, Louisiana law, State Board regulation, or Accounting Codes of Ethics.			
	1	335	59.29	strongly agree or agree
	3	3	0.53	undecided
	5	<u>227</u>	<u>40.18</u>	disagree or strongly disagree
	Totals	565	100.00	
II.2a-f	Continuing education should be required by federal law, Louisiana law, State Board regulation, Accounting Codes of Ethics, or for membership in the AICPA or the SLCPA.			
	1	372	65.38	strongly agree or agree
	3	0	0.00	undecided
	5	<u>197</u>	<u>34.62</u>	disagree or strongly disagree
	Totals	569	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.3	The State Board is the proper authority to regulate continuing education.			
	1	198	34.38	strongly agree
	2	277	48.09	agree
	3	42	7.29	undecided
	4	27	4.69	disagree
	5	<u>32</u>	<u>5.56</u>	strongly disagree
	Totals	576	100.00	
II.4a	The penalty for failure to meet the continuing education requirements in a specified period should be loss of all CPA rights and privileges.			
	1	40	7.31	strongly agree
	2	58	10.60	agree
	3	69	12.61	undecided
	4	155	28.34	disagree
	5	<u>225</u>	<u>41.13</u>	strongly disagree
	Totals	547	100.00	
II.4b	The penalty for failure to meet the continuing education requirements in a specified period should be loss of the right to practice.			
	1	53	9.58	strongly agree
	2	125	22.60	agree
	3	83	15.01	undecided
	4	126	22.79	disagree
	5	<u>166</u>	<u>30.02</u>	strongly disagree
	Totals	553	100.00	
II.4c	The penalty for failure to meet the continuing education requirements in a specified period should be loss of the right to express an opinion on statements.			
	1	88	16.12	strongly agree
	2	199	36.45	agree
	3	78	14.29	undecided
	4	68	12.45	disagree
	5	<u>113</u>	<u>20.70</u>	strongly disagree
	Totals	546	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.5a	In order to be reinstated after being penalized for failing to meet continuing education requirements, the CPA should be required to make up the continuing education that he was lacking.			
	1	146	25.70	strongly agree
	2	322	56.69	agree
	3	24	4.23	undecided
	4	40	7.04	disagree
	5	<u>36</u>	<u>6.34</u>	strongly disagree
	Totals	568	100.00	
II.5b	In order to be reinstated after being penalized for failing to meet continuing education requirements, the CPA should be required to make up a greater amount of continuing education than he was lacking.			
	1	22	3.99	strongly agree
	2	62	11.25	agree
	3	78	14.16	undecided
	4	254	46.10	disagree
	5	<u>135</u>	<u>24.50</u>	strongly disagree
	Totals	568	100.00	
II.5c	In order to be reinstated after being penalized for failing to meet continuing education requirements, the CPA should be required to retake and pass the CPA Exam.			
	1	7	1.28	strongly agree
	2	14	2.55	agree
	3	16	2.91	undecided
	4	157	28.60	disagree
	5	<u>355</u>	<u>64.66</u>	strongly disagree
	Totals	549	100.00	
II.5d	In order to be reinstated after being penalized for failing to meet continuing education requirements, the CPA should be required to take and pass a special exam designed for that purpose.			
	1	20	3.67	strongly agree
	2	79	14.50	agree
	3	73	13.39	undecided
	4	157	28.81	disagree
	5	<u>216</u>	<u>39.64</u>	strongly disagree
	Totals	545	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.6a	Exceptions to continuing education requirements should be allowed for age.			
	1	68	11.99	strongly agree
	2	141	24.87	agree
	3	56	9.88	undecided
	4	190	33.51	disagree
	5	<u>112</u>	<u>19.75</u>	strongly disagree
	Totals	567	100.00	
II.6b	Exceptions to continuing education requirements should be allowed for retirement.			
	1	185	32.23	strongly agree
	2	289	50.35	agree
	3	32	5.58	undecided
	4	36	6.27	disagree
	5	<u>32</u>	<u>5.58</u>	strongly disagree
	Totals	574	100.00	
II.6c	Exceptions to continuing education requirements should be allowed for poor health.			
	1	90	15.76	strongly agree
	2	242	42.38	agree
	3	106	18.56	undecided
	4	96	16.81	disagree
	5	<u>37</u>	<u>6.48</u>	strongly disagree
	Totals	571	100.00	
II.6d	Exceptions to continuing education requirements should be allowed for foreign residence.			
	1	77	13.53	strongly agree
	2	189	33.22	agree
	3	93	16.34	undecided
	4	151	26.54	disagree
	5	<u>59</u>	<u>10.37</u>	strongly disagree
	Totals	569	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.6e	Exceptions to continuing education requirements should be allowed for out-of-state residence.			
	1	47	8.32	strongly agree
	2	97	17.17	agree
	3	53	9.38	undecided
	4	271	47.97	disagree
	5	<u>97</u>	<u>17.17</u>	strongly disagree
	Totals	565	100.00	
II.6f	Exceptions to continuing education requirements should be allowed for CPAs not currently in public practice.			
	1	80	13.96	strongly agree
	2	151	26.35	agree
	3	80	13.96	undecided
	4	183	31.94	disagree
	5	<u>79</u>	<u>13.79</u>	strongly disagree
	Totals	573	100.00	
II.6g	Exceptions to continuing education requirements should be allowed for extended military service.			
	1	119	20.70	strongly agree
	2	289	50.26	agree
	3	64	11.13	undecided
	4	74	12.87	disagree
	5	<u>29</u>	<u>5.04</u>	strongly disagree
	Totals	575	100.00	
II.6h	Exceptions to continuing education requirements should be allowed for practitioners who perform only administrative duties.			
	1	32	5.66	strongly agree
	2	76	13.45	agree
	3	63	11.15	undecided
	4	285	50.44	disagree
	5	<u>109</u>	<u>19.29</u>	strongly disagree
	Totals	565	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.6i	Exceptions to continuing education requirements should be allowed for CPAs who practice in tax areas only.			

1	21	3.72	strongly agree
2	37	6.56	agree
3	35	6.21	undecided
4	330	58.51	disagree
5	<u>141</u>	<u>25.00</u>	strongly disagree
Totals	564	100.00	

II.6j	Exceptions to continuing education requirements should be allowed for CPAs who practice in management services only.			
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1	20	3.55	strongly agree
2	38	6.75	agree
3	32	5.68	undecided
4	334	59.33	disagree
5	<u>139</u>	<u>24.69</u>	strongly disagree
Totals	563	100.00	

II.6k	Exceptions to continuing education requirements should be allowed for accounting educators.			
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1	34	6.00	strongly agree
2	59	10.41	agree
3	29	5.12	undecided
4	261	46.03	disagree
5	<u>184</u>	<u>32.45</u>	strongly disagree
Totals	567	100.00	

II.7	If an exception is allowed for age, the minimum age for the exception should be 65 years old.			
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1	89	15.40	strongly agree
2	281	48.62	agree
3	74	12.80	undecided
4	89	15.40	disagree
5	<u>45</u>	<u>7.79</u>	strongly disagree
Totals	578	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.8	The basic continuing education requirement should be 120 hours in a three-year period.			
	1	46	7.96	strongly agree
	2	208	35.99	agree
	3	116	20.07	undecided
	4	139	24.05	disagree
	5	<u>69</u>	<u>11.94</u>	strongly disagree
	Totals	578	100.00	
II.9	The minimum amount of continuing education that should be allowed in any one year should be 32 hours.			
	1	30	5.16	strongly agree
	2	180	30.93	agree
	3	115	19.76	undecided
	4	173	29.73	disagree
	5	<u>84</u>	<u>14.43</u>	strongly disagree
	Totals	582	100.00	
II.10	CPAs should only be allowed to meet 50% of the basic requirement in their area of specialization.			
	1	35	6.03	strongly agree
	2	194	33.45	agree
	3	95	16.40	undecided
	4	172	29.66	disagree
	5	<u>84</u>	<u>14.48</u>	strongly disagree
	Totals	580	100.00	
II.11	CPAs should be required to meet at least 25% of the basic requirement in accounting and auditing areas.			
	1	48	8.28	strongly agree
	2	274	47.24	agree
	3	81	13.97	undecided
	4	111	19.14	disagree
	5	<u>66</u>	<u>11.38</u>	strongly disagree
	Totals	580	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.12a	In order to demonstrate that they have kept up, CPAs should be required to periodically take and pass the CPA Exam.			
	1	4	0.69	strongly agree
	2	2	0.35	agree
	3	9	1.55	undecided
	4	168	28.97	disagree
	5	<u>397</u>	<u>68.45</u>	strongly disagree
	Totals	580	100.00	
II.12b	In order to demonstrate that they have kept up, CPAs should be required to periodically take and pass a special exam prepared for that purpose.			
	1	12	2.07	strongly agree
	2	41	7.07	agree
	3	44	7.59	undecided
	4	187	32.24	disagree
	5	<u>296</u>	<u>51.03</u>	strongly disagree
	Totals	580	100.00	
II.13a	In lieu of meeting the continuing education requirements, CPAs should be allowed to take and pass the CPA Exam.			
	1	34	5.88	strongly agree
	2	87	15.05	agree
	3	48	8.30	undecided
	4	152	26.30	disagree
	5	<u>257</u>	<u>44.46</u>	strongly disagree
	Totals	578	100.00	
II.13b	In lieu of meeting the continuing education requirements, CPAs should be allowed to take and pass a special exam prepared for that purpose.			
	1	36	6.21	strongly agree
	2	150	25.86	agree
	3	72	12.41	undecided
	4	133	22.93	disagree
	5	<u>189</u>	<u>32.59</u>	strongly disagree
	Totals	580	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.14a	If a special exam is required or allowed in lieu of meeting continuing education requirements, the exam should be prepared and graded by the AICPA.			
	1	82	15.02	strongly agree
	2	165	30.22	agree
	3	53	9.71	undecided
	4	129	23.63	disagree
	5	<u>117</u>	<u>21.43</u>	strongly disagree
	Totals	546	100.00	
II.14b	If a special exam is required or allowed in lieu of meeting continuing education requirements, the exam should be prepared and graded by the State Board.			
	1	45	8.21	strongly agree
	2	196	35.77	agree
	3	72	13.14	undecided
	4	132	24.09	disagree
	5	<u>103</u>	<u>18.80</u>	strongly disagree
	Totals	548	100.00	
II.14c	If a special exam is required or allowed in lieu of meeting continuing education requirements, the exam should be prepared and graded by the Louisiana CPA Society.			
	1	15	2.77	strongly agree
	2	103	19.04	agree
	3	78	14.42	undecided
	4	213	39.37	disagree
	5	<u>132</u>	<u>24.40</u>	strongly disagree
	Totals	541	100.00	
II.15a	Each of the following general subject areas are acceptable for meeting continuing education requirements: Accounting and Auditing.			
	1	221	37.84	strongly agree
	2	358	61.30	agree
	3	2	0.34	undecided
	4	0	0.00	disagree
	5	<u>3</u>	<u>0.51</u>	strongly disagree
	Totals	584	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.15b	Each of the following general subject areas are acceptable for meeting continuing education requirements: Administrative Practices.			
	1	110	18.87	strongly agree
	2	304	52.14	agree
	3	87	14.92	undecided
	4	58	9.95	disagree
	5	<u>24</u>	<u>4.12</u>	strongly disagree
	Totals	583	100.00	
II.15c	Each of the following general subject areas are acceptable for meeting continuing education requirements: Business Law.			
	1	119	20.45	strongly agree
	2	364	62.54	agree
	3	44	7.56	undecided
	4	43	7.39	disagree
	5	<u>12</u>	<u>2.06</u>	strongly disagree
	Totals	582	100.00	
II.15d	Each of the following general subject areas are acceptable for meeting continuing education requirements: Communicative Arts.			
	1	75	12.98	strongly agree
	2	257	44.46	agree
	3	101	17.47	undecided
	4	113	19.55	disagree
	5	<u>32</u>	<u>5.54</u>	strongly disagree
	Totals	578	100.00	
II.15e	Each of the following general subject areas are acceptable for meeting continuing education requirements: Computer Sciences.			
	1	113	19.45	strongly agree
	2	378	65.06	agree
	3	53	9.12	undecided
	4	24	4.13	disagree
	5	<u>13</u>	<u>2.24</u>	strongly disagree
	Totals	581	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
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II.15f Each of the following general subject areas are acceptable for meeting continuing education requirements: Economics.

1	65	11.23	strongly agree
2	289	49.91	agree
3	125	21.59	undecided
4	79	13.64	disagree
5	<u>21</u>	<u>3.63</u>	strongly disagree
Totals	579	100.00	

II.15g Each of the following general subject areas are acceptable for meeting continuing education requirements: Finance, Marketing, or Management.

1	84	14.48	strongly agree
2	346	59.66	agree
3	77	13.28	undecided
4	59	10.17	disagree
5	<u>14</u>	<u>2.41</u>	strongly disagree
Totals	580	100.00	

II.15h Each of the following general subject areas are acceptable for meeting continuing education requirements: Management Services.

1	111	19.07	strongly agree
2	402	69.07	agree
3	46	7.90	undecided
4	13	2.23	disagree
5	<u>10</u>	<u>1.72</u>	strongly disagree
Totals	582	100.00	

II.15i Each of the following general subject areas are acceptable for meeting continuing education requirements: Mathematics, Statistics, etc.

1	75	12.98	strongly agree
2	341	59.00	agree
3	83	14.36	undecided
4	64	11.07	disagree
5	<u>15</u>	<u>2.60</u>	strongly disagree
Totals	578	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
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II.15j Each of the following general subject areas are acceptable for meeting continuing education requirements: Social environment of business.

1	50	8.67	strongly agree
2	209	36.22	agree
3	139	24.09	undecided
4	138	23.92	disagree
5	<u>41</u>	<u>7.11</u>	strongly disagree
Totals	577	100.00	

II.15k Each of the following general subject areas are acceptable for meeting continuing education requirements: Specialized areas of industry (e.g., Farming, Real Estate, Insurance).

1	113	19.55	strongly agree
2	369	63.84	agree
3	42	7.27	undecided
4	43	7.44	disagree
5	<u>11</u>	<u>1.90</u>	strongly disagree
Totals	578	100.00	

II.15l Each of the following general subject areas are acceptable for meeting continuing education requirements: Taxation.

1	191	34.17	strongly agree
2	351	62.79	agree
3	9	1.61	undecided
4	4	0.72	disagree
5	<u>4</u>	<u>0.72</u>	strongly disagree
Totals	559	100.00	

II.16a The following types of study are acceptable for meeting continuing education requirements: Professional development programs of the AICPA and state societies or chapters.

1	260	44.91	strongly agree
2	310	53.54	agree
3	1	0.17	undecided
4	4	0.69	disagree
5	<u>4</u>	<u>0.69</u>	strongly disagree
Totals	579	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.16b	The following types of study are acceptable for meeting continuing education requirements: Technical sessions at meetings of other accounting organizations.			
	1	165	28.55	strongly agree
	2	340	58.82	agree
	3	26	4.50	undecided
	4	41	7.09	disagree
	5	<u>6</u>	<u>1.04</u>	strongly disagree
	Totals	578	100.00	
II.16c	The following types of study are acceptable for meeting continuing education requirements: Technical sessions at meetings of other professional societies whose purpose is related to accounting.			
	1	126	21.76	strongly agree
	2	315	54.40	agree
	3	64	11.05	undecided
	4	62	10.71	disagree
	5	<u>12</u>	<u>2.07</u>	strongly disagree
	Totals	579	100.00	
II.16d	The following types of study are acceptable for meeting continuing education requirements: University or college credit courses.			
	1	249	43.01	strongly agree
	2	312	53.89	agree
	3	10	1.73	undecided
	4	4	0.69	disagree
	5	<u>4</u>	<u>0.69</u>	strongly disagree
	Totals	579	100.00	
II.16e	The following types of study are acceptable for meeting continuing education requirements: University or college non-credit short courses.			
	1	171	29.64	strongly agree
	2	342	59.27	agree
	3	38	6.59	undecided
	4	19	3.29	disagree
	5	<u>7</u>	<u>1.21</u>	strongly disagree
	Totals	577	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.16f	The following types of study are acceptable for meeting continuing education requirements: Formal organized in-firm education programs (excluding those of solely administrative or firm matters).			
	1	155	26.86	strongly agree
	2	329	57.02	agree
	3	45	7.80	undecided
	4	33	5.72	disagree
	5	<u>15</u>	<u>2.60</u>	strongly disagree
	Totals	577	100.00	
II.16g	The following types of study are acceptable for meeting continuing education requirements: Formal correspondence or individual self-study programs which require registration and which provide evidence of satisfactory completion.			
	1	170	29.41	strongly agree
	2	364	62.98	agree
	3	25	4.33	undecided
	4	13	2.25	disagree
	5	<u>6</u>	<u>1.04</u>	strongly disagree
	Totals	578	100.00	
II.16h	The following types of study are acceptable for meeting continuing education requirements: Informal self-study.			
	1	45	7.87	strongly agree
	2	114	19.93	agree
	3	129	22.55	undecided
	4	225	39.34	disagree
	5	<u>59</u>	<u>10.32</u>	strongly disagree
	Totals	572	100.00	
II.16i	The following types of study are acceptable for meeting continuing education requirements: Service as a lecturer or discussion leader (excluding repetitious presentations).			
	1	144	24.96	strongly agree
	2	318	55.11	agree
	3	36	6.24	undecided
	4	63	10.92	disagree
	5	<u>16</u>	<u>2.77</u>	strongly disagree
	Totals	577	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.16j	The following types of study are acceptable for meeting continuing education requirements: Service as an accounting educator (excluding repetitious presentations).			
	1	109	19.02	strongly agree
	2	269	46.95	agree
	3	61	10.65	undecided
	4	101	17.63	disagree
	5	<u>33</u>	<u>5.76</u>	strongly disagree
	Totals	573	100.00	
II.17	A CPA should be required to pass an exam at the end of a professional development program to show that he has gotten something out of the program.			
	1	22	3.82	strongly agree
	2	99	17.19	agree
	3	77	13.34	undecided
	4	246	42.71	disagree
	5	<u>132</u>	<u>22.92</u>	strongly disagree
	Totals	576	100.00	
II.18a	If in-firm professional development programs are allowed, an outline must be prepared in advance and retained.			
	1	153	26.56	strongly agree
	2	316	54.86	agree
	3	54	9.38	undecided
	4	34	5.90	disagree
	5	<u>19</u>	<u>3.30</u>	strongly disagree
	Totals	576	100.00	
II.18b	If in-firm professional development programs are allowed, an outline must be approved in advance by the continuing education regulating committee.			
	1	72	12.46	strongly agree
	2	189	32.70	agree
	3	93	16.09	undecided
	4	163	28.20	disagree
	5	<u>61</u>	<u>10.55</u>	strongly disagree
	Totals	578	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.18c	If in-firm professional development programs are allowed, the program must be open to all CPAs (a reasonable fee may be charged to outsiders).			
	1	55	9.57	strongly agree
	2	140	24.35	agree
	3	74	12.87	undecided
	4	201	34.96	disagree
	5	<u>105</u>	<u>18.26</u>	strongly disagree
	Totals	575	100.00	
II.19	If formal and/or informal self-study is allowed, a maximum of 10% of the total continuing education requirement may be met through self-study.			
	1	36	6.24	strongly agree
	2	192	33.28	agree
	3	72	12.48	undecided
	4	194	33.62	disagree
	5	<u>83</u>	<u>14.39</u>	strongly disagree
	Totals	577	100.00	
II.20	If informal self-study is allowed, the CPA must submit a synopsis of the material studied to receive continuing education credit.			
	1	98	17.07	strongly agree
	2	301	52.44	agree
	3	77	13.42	undecided
	4	59	10.28	disagree
	5	<u>39</u>	<u>6.79</u>	strongly disagree
	Totals	574	100.00	
II.21a	Continuing education credit for informal self-study should be limited to a maximum of one-hour per program.			
	1	34	6.01	strongly agree
	2	130	22.97	agree
	3	175	30.92	undecided
	4	160	28.27	disagree
	5	<u>67</u>	<u>11.84</u>	strongly disagree
	Totals	566	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.21b	Continuing education credit for formal correspondence courses should be determined on an individual basis.			
	1	56	9.76	strongly agree
	2	286	49.83	agree
	3	87	15.16	undecided
	4	110	19.16	disagree
	5	<u>35</u>	<u>6.10</u>	strongly disagree
	Totals	574	100.00	
II.21c	Continuing education credit for published books and articles should be determined on an individual basis.			
	1	61	10.65	strongly agree
	2	351	61.26	agree
	3	84	14.66	undecided
	4	51	8.90	disagree
	5	<u>26</u>	<u>4.54</u>	strongly disagree
	Totals	573	100.00	
II.21d	Continuing education credit for service as a lecturer or discussion leader should be double the credit given to a CPA in attendance (excluding repetitious presentations).			
	1	85	14.76	strongly agree
	2	205	35.59	agree
	3	88	15.28	undecided
	4	131	22.74	disagree
	5	<u>67</u>	<u>11.63</u>	strongly disagree
	Totals	576	100.00	
II.21e	Continuing education credit for service as an accounting educator should be double the credit given to a student in his classes (excluding repetitious presentations).			
	1	63	10.92	strongly agree
	2	165	28.60	agree
	3	93	16.12	undecided
	4	171	29.64	disagree
	5	<u>85</u>	<u>14.73</u>	strongly disagree
	Totals	577	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.21f	Continuing education credit for university or college credit courses should be 15 hours per semester hour or 10 hours per quarter hour.			
	1	70	12.26	strongly agree
	2	290	50.79	agree
	3	145	25.39	undecided
	4	38	6.66	disagree
	5	<u>28</u>	<u>4.90</u>	strongly disagree
	Totals	571	100.00	
II.21g1	Continuing education credit should be equal to actual hours of attendance at professional development programs of the AICPA and state societies.			
	1	136	23.65	strongly agree
	2	361	62.78	agree
	3	44	7.65	undecided
	4	24	4.17	disagree
	5	<u>10</u>	<u>1.74</u>	strongly disagree
	Totals	575	100.00	
II.21g2	Continuing education credit should be equal to actual hours of attendance at acceptable technical sessions at meetings of professional organizations whose purpose is related to accounting.			
	1	110	19.20	strongly agree
	2	349	60.91	agree
	3	67	11.69	undecided
	4	36	6.28	disagree
	5	<u>11</u>	<u>1.92</u>	strongly disagree
	Totals	573	100.00	
II.21g3	Continuing education credit should be equal to actual hours of attendance at in-firm professional development programs.			
	1	107	18.74	strongly agree
	2	333	58.32	agree
	3	75	13.14	undecided
	4	38	6.66	disagree
	5	<u>18</u>	<u>3.15</u>	strongly disagree
	Totals	571	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
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II.22 A CPA should be required to report his participation in continuing education annually.

1	102	19.14	strongly agree
2	354	66.42	agree
3	20	3.75	undecided
4	34	6.38	disagree
5	<u>23</u>	<u>4.32</u>	strongly disagree
Totals	533	100.00	

II.23a A CPA should be required to sign a sworn statement about the continuing education credit claimed.

1	57	10.92	strongly agree
2	205	39.27	agree
3	54	10.35	undecided
4	139	26.63	disagree
5	<u>67</u>	<u>12.84</u>	strongly disagree
Totals	522	100.00	

II.23b A CPA should be required to submit evidence for all continuing education credit claimed.

1	50	9.51	strongly agree
2	228	43.35	agree
3	71	13.50	undecided
4	124	23.57	disagree
5	<u>53</u>	<u>10.08</u>	strongly disagree
Totals	526	100.00	

II.23c A CPA should be allowed to claim continuing education credit without submitting evidence or signing a sworn statement.

1	34	6.53	strongly agree
2	89	17.08	agree
3	71	13.63	undecided
4	255	48.94	disagree
5	<u>72</u>	<u>13.82</u>	strongly disagree
Totals	521	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.24a	If a CPA deliberately claims an excess amount of continuing education credit, he should be allowed to simply amend his claim without penalty.			
	1	23	4.49	strongly agree
	2	62	12.11	agree
	3	89	17.38	undecided
	4	238	46.48	disagree
	5	<u>100</u>	<u>19.53</u>	strongly disagree
	Totals	512	100.00	
II.24b	If a CPA deliberately claims an excess amount of continuing education credit, he should lose his license to practice as a CPA.			
	1	27	5.32	strongly agree
	2	71	13.98	agree
	3	105	20.67	undecided
	4	204	40.16	disagree
	5	<u>101</u>	<u>19.88</u>	strongly disagree
	Totals	508	100.00	
II.24c	If a CPA deliberately claims an excess amount of continuing education credit, he should lose all CPA rights and privileges.			
	1	24	4.73	strongly agree
	2	70	13.81	agree
	3	103	20.32	undecided
	4	203	40.04	disagree
	5	<u>107</u>	<u>21.11</u>	strongly disagree
	Totals	507	100.00	
II.24d	If a CPA deliberately claims an excess amount of continuing education credit, he should be tried in a court of law for perjury.			
	1	10	1.97	strongly agree
	2	14	2.75	agree
	3	76	14.93	undecided
	4	237	46.56	disagree
	5	<u>172</u>	<u>33.79</u>	strongly disagree
	Totals	509	100.00	

<u>Number</u>	<u>Code</u>	<u>Frequency</u>	<u>Percent</u>	<u>Code Classification</u>
II.24e	If a CPA deliberately claims an excess amount of continuing education credit, he should be tried for a Code of Ethics violation.			
	1	81	15.79	strongly agree
	2	244	47.56	agree
	3	66	12.87	undecided
	4	68	13.26	disagree
	5	<u>54</u>	<u>10.53</u>	strongly disagree
	Totals	513	100.00	

VITA

Maurice Francis Tassin, Jr. was born in New Orleans, Louisiana on October 10, 1940. His family lived in Wallace, Louisiana where he attended elementary school. He was graduated from Edgard High School in Edgard, Louisiana in May, 1958.

In June, 1958, he enrolled at Louisiana State University in Baton Rouge, Louisiana and in September, 1960, he transferred to the University of Southwestern Louisiana at Lafayette. At USL he majored in accounting and was elected an officer in the Accounting Forum. He was a recipient of the John S. Dowling Tax Award at USL where he received the Bachelor of Science degree in May, 1963.

In June, 1963, he was employed as an auditor with the United States General Accounting Office at Chicago, Illinois. He was transferred by the GAO to New Orleans, Louisiana in June, 1964, where he remained until entering graduate school. During his employment with the GAO in New Orleans, he received promotions to the position of Supervisory Auditor.

In January, 1969, he enrolled in the Graduate School at Louisiana State University and received a graduate assistantship as a Fraternity Auditor in the Comptroller's Department. He was elected to membership in Beta Alpha Psi and in August, 1970, he received the Master of Science degree with a major in accounting.

In August, 1970, he entered the Ph.D. program in accounting at

Louisiana State University. While enrolled in this program, he served as a teaching assistant in the Department of Accounting from August, 1970, to May, 1973.

In August, 1973, he accepted the position of Instructor of Accounting at Louisiana State University. He was awarded the Haskins and Sells Foundation Fellowship in 1974 and was licensed as a Certified Public Accountant in Louisiana in January, 1975. He is currently a candidate for the degree of Doctor of Philosophy in Accounting.

In 1965, he married Bonnie Belle Boucvalt of Gramercy, Louisiana. They have a nine-year-old son, Glenn David, and two daughters, Ann Louise, age seven, and Jill Marie, age three.

EXAMINATION AND THESIS REPORT

Candidate: Maurice Francis Tassin, Jr.

Major Field: Accounting

Title of Thesis:

Compulsory Continuing Education for
Certified Public Accountants: A
Model Program for the State of
Louisiana

Approved:

W. E. Lyons
Major Professor and Chairman

James B. Traynham
Dean of the Graduate School

EXAMINING COMMITTEE:

Clarence L. Dunn
Raymond V. Lee
O. H. Everett
George W. Fair

Date of Examination:

July 1, 1975